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National Defense Authorization Act...

ON

NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEAR 1997—H.R. 3230

AND

OVERSIGHT OF PREVIOUSLY AUTHORIZED
PROGRAMS

BEFORE THE

COMMITTEE ON NATIONAL SECURITY
HOUSE OF REPRESENTATIVES
ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

FULL COMMITTEE HEARINGS

ON

AUTHORIZATION AND OVERSIGHT

HEARINGS HELD

MARCH 6, 8, 13, 27, AND 28, 1996



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U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1997

38-160

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104TH CONGRESS
2D SESSION

H. R. 3230

To authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1997, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 1996

MR. SPENCE (for himself and Mr. DELLUMS) (both by request) introduced the following bill; which was referred to the Committee on National Security

A BILL

To authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1997, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Defense Authorization Act for Fiscal Year 1997".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Table of contents.

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

- Sec. 101. Army.
- Sec. 102. Navy and Marine Corps.
- Sec. 103. Air Force.
- Sec. 104. Defense-wide Activities.
- Sec. 105. Defense Inspector General.
- Sec. 106. Defense health program.
- Sec. 107. Chemical demilitarization program.

Subtitle B—Other Matters

- Sec. 110. Clarification of waiver provision for F-15 aircraft program.
- Sec. 111. Increase in the definitional amounts for major systems for Department of Defense procurement.
- Sec. 112. Authorizes revisions to improve the acquisition reporting process for major defense acquisition programs.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

- Sec. 201. Authorization of Appropriations.
- Sec. 202. Live-fire survivability testing of V-22 aircraft.
- Sec. 203. Live-fire survivability testing of F-22 aircraft.
- Sec. 204. Research activities of the Defense Advanced Research Projects Agency.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

- Sec. 301. Operation and maintenance funding.
- Sec. 302. Working capital funds.

Subtitle B—Other Matters

- Sec. 310. Remedies for contractor employee whistleblowers.
- Sec. 311. Repeal of requirement for physical examination on calling militia into Federal service.
- Sec. 312. Defense Business Operations Fund amendment.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

- Sec. 401. End strengths for active forces.
- Sec. 402. Excluding certain Reserve component members on active duty for 181 days or more from active component end strengths.

Subtitle B—Reserve Forces

- Sec. 411. End strengths for Selected Reserve.
- Sec. 412. End strengths for Reserves on active duty in support of the Reserves.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Matters Relating to Reserve Components

- Sec. 501. Discharge or retirement for years of service or after selection for early removal.
- Sec. 502. Appointment above O-2 in the United States Naval Reserve.
- Sec. 503. Test program on unlimited use of commissary stores by eligible reservists.
- Sec. 504. Active duty retirement sanctuary for reservists.
- Sec. 505. Change in time for award of degree to be considered to meet the Selected Reserve officer education requirement.
- Sec. 506. Clarification of limitation on furnishing clothing or allowances for enlisted National Guard technicians.
- Sec. 507. Use of active Guard and Reserve personnel in composite active and reserve component activities and in activities and functions assigned to a reserve component organization.

Subtitle B—Officer Education Programs

- Sec. 510. Extension of age requirements for appointment as a cadet or midshipman in the Senior Reserve Officers' Training Corps and the military department service academies.
- Sec. 511. Expansion of Senior Reserve Officer Training Corps advanced training program to include graduate students.

Subtitle C—Other Matters

- Sec. 515. Clarifying definition of active status.
- Sec. 516. Chief warrant officer promotions.
- Sec. 517. Revisions to missing persons authorities.
- Sec. 518. Authority for the temporary promotions of certain Navy lieutenants.
- Sec. 519. Extension in the delayed entry program of up to 180 days for meritorious cases.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

- Sec. 601. Military pay raise for fiscal year 1997.
- Sec. 602. Restriction on entitlement to basic allowance for quarters for reserve component members.
- Sec. 603. Continuous BAQ/VHA for single members who PCS to deployed unit; authorization to quarters ashore (either adequate or inadequate), or basic allowance for quarters for E-5 members, without dependents, assigned to sea duty; and BAQ/VHA for shipboard military couples.
- Sec. 604. Adjustments in cadet and midshipmen pay.

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Subtitle B—Extension on Bonuses and Special Pays

- Sec. 605. Extension of authority relating to payment of other bonuses and special pays.
- Sec. 606. Extension of certain bonuses for Reserve forces.
- Sec. 607. Extension and modification of certain bonuses and special pay for nurse officer candidates, registered nurses, and nurse anesthetists.

Subtitle C—Travel and Transportation Allowances

- Sec. 610. Round-trip travel allowances for shipping motor vehicles at Government expense.
- Sec. 611. Authority to reimburse Department of Defense domestic dependent school-board members for certain programs and activities.
- Sec. 612. Storage of a motor vehicle in lieu of transportation.
- Sec. 613. Repeal of prohibition on payment of lodging expenses when adequate Government quarters are available.

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- Sec. 620. Disability coverage for officers granted excess leave for educational purposes.
- Sec. 621. Amendments to the Uniformed Services Former Spouses' Protection Act.
- Sec. 622. Travel and transportation allowances: travel performed in connection with leave between consecutive overseas tours.

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- Sec. 702. Repeal of the statutory restriction on use of funds for abortions.
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- Sec. 704. Improved death and disability benefits for reservists.

TITLE VIII—ACQUISITION AND RELATED MATTERS

- Sec. 801. Repeal of procurement technical assistance cooperative agreement program.
- Sec. 802. Extension of pilot mentor program.
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- Sec. 1030. National defense technology and industrial base, defense reinvestment, and defense conversion.
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- Sec. 1035. Redesignation of Office of Naval Records and History Gift Fund to Naval Historical Center Fund.
- Sec. 1036. Transportation by commissaries and exchanges to overseas locations.
- Sec. 1037. Cooperative agreements for the management of cultural resources.
- Sec. 1038. Medal of Honor for African American soldiers who served in World War II.
- Sec. 1039. Presidential inauguration assistance.

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- Sec. 2102. Family housing.
- Sec. 2103. Improvements to military family housing units.
- Sec. 2104. Authorization of appropriations, Army.

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- Sec. 2202. Family housing.
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- Sec. 2704. Extension of authorizations of certain fiscal year 1992 projects.
- Sec. 2705. Effective date.

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Army as follows:

- (1) For aircraft, \$970,815,000.
- (2) For missiles, \$766,329,000.
- (3) For weapons and tracked combat vehicles, \$1,102,014,000.
- (4) For ammunition, \$853,428,000.
- (5) For other procurement, \$2,627,440,000.

SEC. 102. NAVY AND MARINE CORPS.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Navy as follows:

- (1) For aircraft, \$5,881,952,000.
- (2) For weapons, including missiles and torpedoes, \$1,400,363,000.
- (3) For shipbuilding and conversion, \$4,911,930,000.
- (4) For other procurement, \$2,714,195,000.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Marine Corps in the amount of \$555,507,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Air Force as follows:

- (1) For aircraft, \$5,779,228,000.
- (2) For missiles, \$2,733,877,000.
- (3) For other procurement, \$5,998,819,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 1997 for defense-wide procurement in the amount of \$1,814,212,000.

SEC. 105. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 1997 for the procurement for the Defense Inspector General in the amount of \$2,000,000.

SEC. 106. DEFENSE HEALTH PROGRAM.

Funds are hereby authorized to be appropriated for fiscal year 1997 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of \$269,470,000.

SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.

There is hereby authorized to be appropriated for fiscal year 1997 in the amount of \$799,847,000 for—

- (1) the destruction of lethal chemical weapons in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521), and
- (2) the destruction of chemical warfare material of the United States that is not covered by section 1412 of such Act.

Subtitle B—Other Matters

SEC. 110. CLARIFICATION OF WAIVER PROVISION FOR F-15 AIRCRAFT PROGRAM.

The prohibition in section 134(a)(2) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189; 103 Stat. 1383) does not apply to the obligation of funds appropriated by the Department of Defense Appropriations Act, 1996 (Public Law 104-61; 109 Stat. 636) under the heading "Aircraft Procurement, Air Force" and authorized by the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106; 110 Stat. 186) for F-15E aircraft or to any appropriation or authorization for the Department of Defense for fiscal year 1997.

SEC. 111. INCREASE IN THE DEFINITIONAL AMOUNTS FOR MAJOR SYSTEMS FOR DEPARTMENT OF DEFENSE PROCUREMENT.

Section 2302(5)(A) of title 10, United States Code, is amended—

- (1) by striking out "\$75,000,000 (based on fiscal year 1980 constant dollars)" and inserting in lieu thereof "\$115,000,000 (based on fiscal year 1990 dollars)";
- (2) by striking out "\$300,000,000 (based on fiscal year 1980 constant dollars)" and inserting in lieu thereof "\$540,000,000 (based on fiscal year 1990 constant dollars)"; and
- (3) by adding to the end of section (5)(A), "The Secretary of Defense may adjust the amounts (and the base fiscal year) on the basis of Department of Defense escalation rates; however, that adjustment shall not be effective until after the Secretary transmits a written notification of the adjustment to the Committee on Armed Services of the Senate and Committee on National Security of the House of Representatives."

SEC. 112. AUTHORIZES REVISIONS TO IMPROVE THE ACQUISITION REPORTING PROCESS FOR MAJOR DEFENSE ACQUISITION PROGRAMS.

Section 2432 of title 10, United States Code, is amended—

- (1) in subsection (c)(1)(B) by striking "program acquisition unit cost" and inserting in lieu thereof "procurement unit cost";
- (2) in subsection (e) by striking subparagraph (8) and redesignating subparagraph (9) as subparagraph (8), accordingly; and
- (3) in subsection (h) by striking subparagraph (2)(D) and by redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1997 for the use of the Armed Forces for research, development, test, and evaluation, as follows:

- (1) For the Army, \$4,320,640,000.
- (2) For the Navy, \$7,334,734,000.
- (3) For the Air Force, \$14,417,456,000.
- (4) For Defense-wide research, development, test, and evaluation, \$8,672,842,000, of which—
 - (A) \$252,038,000 is authorized for the activities of the Director, Test and Evaluation; and
 - (B) \$21,968,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. LIVE-FIRE SURVIVABILITY TESTING OF V-22 AIRCRAFT.

(a) **AUTHORITY FOR RETROACTIVE WAIVER.**—The Secretary of Defense may exercise the waiver authority in section 2366(c) of title 10, United States Code, with respect to the application of survivability testing to the V-22 aircraft, notwithstanding that the program has entered engineering and manufacturing development.

(b) **ALTERNATIVE SURVIVABILITY TEST REQUIREMENTS.**—The Secretary of Defense shall make available a sufficient number of components critical to the survivability of the V-22 aircraft in realistic threat environments to conduct the alternative live-fire test program.

(c) **FUNDING.**—The funds required to carry out any alternative live-fire testing program for the V-22 aircraft system shall be made available from amounts appropriated for the V-22 program.

SEC. 203. LIVE-FIRE SURVIVABILITY TESTING OF F-22 AIRCRAFT.

(a) **AUTHORITY FOR RETROACTIVE WAIVER.**—The Secretary of Defense may exercise the waiver authority in section 2366(c) of title 10, United States Code, with respect

to the application of the survivability tests of that section to the F-22 aircraft, notwithstanding that such program has entered full-scale engineering development.

(b) **REPORTING REQUIREMENT.**—If the Secretary of Defense submits a certification under section 2366(c) of such title 10 that live-fire testing of the F-22 system under such section would be unreasonably expensive and impractical, the Secretary of Defense shall require that sufficiently large and realistic components and subsystems that could affect the survivability of the F-22 system be made available for any alternative live-fire test program.

(c) **FUNDING.**—The funds required to carry out any alternative live-fire testing program for the F-22 aircraft system shall be made available from amounts appropriated for the F-22 program.

SEC. 304. RESEARCH ACTIVITIES OF THE DEFENSE ADVANCED RESEARCH PROJECTS AGENCY.

Notwithstanding section 1701 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160; 107 Stat. 1853), the Director of the Defense Advanced Research Projects Agency, for the Secretary of Defense, may conduct basic and applied research and advanced technology development, on chemical and biological warfare defense technologies and systems, independently of any other component of the Department of Defense. In conducting its mission of basic and applied research and advanced technology development, the Advanced Research Projects Agency should avoid unnecessary duplication of efforts of other components of the Department. With respect to chemical and biological warfare defense activities and where otherwise appropriate, coordinate its activities with other components of the Department.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 1997 for the use of the Armed Forces of the United States and other activities and agencies of the Department of Defense, for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

- (1) For the Army, \$18,114,479,000.
- (2) For the Navy, \$20,196,197,000.
- (3) For the Marine Corps, \$2,203,777,000.
- (4) For the Air Force, \$17,913,455,000.
- (5) For the Defense Agencies, \$10,156,468,000.
- (6) For the Army Reserve, \$1,084,436,000.
- (7) For the Naval Reserve, \$843,927,000.
- (8) For the Marine Corps Reserve, \$99,667,000.
- (9) For the Air Force Reserve, \$1,488,553,000.
- (10) For the Army National Guard, \$2,208,477,000.
- (11) For the Air National Guard, \$2,654,473,000.
- (12) For the Defense Inspector General, \$136,501,000.
- (13) For Drug Interdiction and Counter-drug Activities, Defense, \$642,724,000.
- (14) For the United States Court of Appeals for the Armed Forces, \$6,797,000.
- (15) For Environmental Restoration, Army, \$356,916,000.
- (16) For Environmental Restoration, Navy, \$302,900,000.
- (17) For Environmental Restoration, Air Force, \$414,700,000.
- (18) For Environmental Restoration, Defense-wide, \$258,500,000.
- (19) For Medical Programs, Defense, \$9,358,288,000.
- (20) For Overseas Humanitarian, Disaster, and Civic Aid, \$80,544,000.
- (21) For Former Soviet Union Threat Reduction, \$327,900,000.
- (22) For Payments to Kaho'olawe Island, \$10,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1997 for the use of the Armed Forces of the United States and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

- (1) For the Defense Business Operations Fund, \$947,900,000.
- (2) For the National Defense Sealift Fund, \$963,002,000.

Subtitle B—Other Matters

SEC. 310. REMEDIES FOR CONTRACTOR EMPLOYEE WHISTLEBLOWERS.

Section 2409(c) of title 10, United States Code, is amended—

(1) in subparagraph (B) by striking the period at the end, inserting in lieu thereof “; or in lieu of reinstatement, order the contractor to pay the person an amount equal to the compensation (including back pay) that would apply to the person in that position if the reprisal had not been taken and an award for damages.”; and

(2) by adding at the end of paragraph (c)(1) the following new subparagraph (D):

“(D) Order the contractor to reimburse the agency that conducted the reprisal investigation an amount equal to the cost of the investigation.”.

SEC. 311. REPEAL OF REQUIREMENT FOR PHYSICAL EXAMINATION ON CALLING MILITIA INTO FEDERAL SERVICE.

(a) REPEAL OF REQUIREMENT.—Section 12408 of title 10, United States Code, is repealed.

(b) CLERICAL AGREEMENT.—The table of sections at the beginning of chapter 1209 is amended by striking out the item relating to section 12408.

SEC. 312. DEFENSE BUSINESS OPERATIONS FUND AMENDMENT.

Section 2216(i)(1) of title 10, United States Code, is amended by striking “\$50,000” and inserting in lieu thereof “\$100,000”.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 1997, as follows:

- (1) The Army, 495,000.
- (2) The Navy, 406,900.
- (3) The Marine Corps, 174,000.
- (4) The Air Force, 381,100.

SEC. 402. EXCLUDING CERTAIN RESERVE COMPONENT MEMBERS ON ACTIVE DUTY FOR 181 DAYS OR MORE FROM ACTIVE COMPONENT END STRENGTHS.

Section 115(d) of title 10, United States Code, is amended by adding at the end a new paragraph (8) as follows:

“(8) Members of reserve components on active duty to perform special work in support of peacetime requirements of the active components and combatant commands for 181 days or more. The total number of personnel included in this category shall not exceed two-tenths of one percent of the end strengths authorized pursuant to subsection (a)(1).”.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1997, as follows:

- (1) The Army Reserve, 214,925.
- (2) The Naval Reserve, 95,941.
- (3) The Marine Corps Reserve, 42,000.
- (4) The Air Force Reserve, 73,281.
- (5) The Army National Guard, 366,758.
- (6) The Air National Guard, 108,018.
- (7) The Coast Guard Reserve, 8,000.

(b) WAIVER AUTHORITY.—The Secretary of Defense may vary the end strength authorized by subsection (a) by not more than 2 percent.

(c) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be reduced proportionately by—

- (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year, and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be increased proportionately by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

Within the end strengths prescribed in section 402(b), the reserve components of the armed forces are authorized, as of September 30, 1997, the following number of Reserves to be serving on full-time active duty or, in the case of members of the National Guard, full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

- (1) The Army Reserve, 11,475.
- (2) The Naval Reserve, 16,506.
- (3) The Marine Corps Reserve, 2,559.
- (4) The Air Force Reserve, 625.
- (5) The Army National Guard, 22,798.
- (6) The Air National Guard, 10,129.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Matters Relating to Reserve Components

SEC. 501. DISCHARGE OR RETIREMENT FOR YEARS OF SERVICE OR AFTER SELECTION FOR EARLY REMOVAL.

(a) **IN GENERAL.**—The text of section 14514 of title 10, United States Code, is amended to read as follows:

“(a) Each reserve officer of the Army, Navy, Air Force, or Marine Corps who is in an active status and who is required to be removed from an active status or from a reserve active-status list, as the case may be, under section 14507, 14508, 14704, or 14705 of this title (unless the officer is sooner separated, the officer’s separation is deferred, or the officer is continued in an active status under another provision of law), in accordance with those sections, shall—

“(1) be transferred to the Retired Reserve, if the officer is qualified and applies for such transfer; or

“(2) if the officer is not qualified or does not apply for such transfer, be discharged from the officer’s reserve appointment.

“(b) Each reserve officer of the Army, Navy, Air Force, or Marine Corps who is in an inactive status and who is required to be removed from an inactive status—

“(1) shall be transferred to the Retired Reserve, if the officer is qualified and applies for such transfer; or

“(2) may, if the officer is not qualified or does not apply for such transfer, be discharged from the officer’s reserve appointment.”.

(b) **CONFORMING AMENDMENT.**—Section 12683(b)(1) of such title is amended by inserting “14514,” and “12684.”.

SEC. 502. APPOINTMENT ABOVE O-2 IN THE U.S. NAVAL RESERVE.

Section 12205 of title 10, United States Code, is amended by amending subsection (b)(3) to read as follows:

“(3) The appointment in the Naval Reserve of a person appointed for service under either the Naval Aviation Cadet or Seaman to Admiral Program.”.

SEC. 503. TEST PROGRAM ON UNLIMITED USE OF COMMISSARY STORES BY ELIGIBLE RESERVISTS.

(a) The Secretary of Defense shall carry out in one or more areas of the United States a test program under which those Reserve members eligible for commissary use under sections 1063 and 1064 of title 10, United States Code, will be permitted to use commissary stores of the Department of Defense on the same basis as members on active duty. The test program will begin on January 1, 1997, and will be conducted for a period of one year.

(b) The Secretary of Defense shall report the results of the test program to the Congress no later than March 31, 1998, together with such comments and recommendations as he determines appropriate.

SEC. 504. ACTIVE DUTY RETIREMENT SANCTUARY FOR RESERVISTS

Section 12686 of title 10, United States Code, is amended—

- (1) by designating the existing matter as paragraph (1); and
- (2) by adding at the end the following new paragraph:

“(2) The regulations prescribed under paragraph (1) may except from the prohibition on involuntary release in that paragraph members who serve on active duty (other than for training) under section 12301 of this title pursuant to orders specifying a period of less than 180 days provided that the member is informed of and consents to such exception prior to entry on active duty.”.

SEC. 505. CHANGE IN TIME FOR AWARD OF DEGREE TO BE CONSIDERED TO MEET THE SELECTED RESERVE OFFICER EDUCATION REQUIREMENT.

Section 12205(c)(2)(C) of title 10, United States Code, is amended by striking “three” and inserting in lieu thereof “eight”.

SEC. 506. CLARIFICATION OF LIMITATION ON FURNISHING CLOTHING OR ALLOWANCES FOR ENLISTED NATIONAL GUARD TECHNICIANS.

Subsection 418(c) of title 37, United States Code, is amended by striking at the end of the paragraph “for which a uniform allowance is paid under section 415 or 416 of this title”, and inserting in lieu thereof “for which clothing is furnished or a uniform allowance is paid under this section”.

SEC. 507. USE OF ACTIVE GUARD AND RESERVE PERSONNEL IN COMPOSITE ACTIVE AND RESERVE COMPONENT ACTIVITIES AND IN ACTIVITIES AND FUNCTIONS ASSIGNED TO A RESERVE COMPONENT ORGANIZATION

Section 12310 of title 10, United States Code, is amended by adding at the end the following two new subsections:

“(c) Organizing, administering, recruiting, instructing, or training the reserve components as used in this title and in the authorizations of end strengths required under section 115 of this title, includes—

“(1) the conduct of activities described in sections 3013(b), 5013(b), and 8013(b) of this title in support of any part of a military department when such activities have been assigned by the Secretary concerned, with the consent of the Chief of the National Guard Bureau or the chief of such reserve component, to a reserve component organization for execution; and

“(2) peacetime standby air defense and ballistic missile defense operations within the territory of the United States.

“(d) A reserve on duty under subsection (a) may serve in, and supervise and command any other person serving in a composite organization that conducts activities described in subsection (c) jointly in support of the reserve components and the active components of one or more armed services.”.

Subtitle B—Officer Education Programs

SEC. 510. EXTENSION OF AGE REQUIREMENTS FOR APPOINTMENT AS A CADET OR MIDSHIPMAN IN THE SENIOR RESERVE OFFICERS' TRAINING CORPS AND THE MILITARY DEPARTMENT SERVICE ACADEMIES.

(a) SENIOR RESERVE OFFICERS' TRAINING CORPS.—Section 2107(a) of title 10, United States Code, is amended by striking out “25” and inserting in lieu thereof “27”.

(b) UNITED STATES MILITARY ACADEMY.—Section 4346(a) of title 10, United States Code, is amended by striking out “twenty-second birthday” and inserting in lieu thereof “twenty-third birthday”.

(c) UNITED STATES NAVAL ACADEMY.—Clause (1) of section 6958(a) of title 10, United States Code, is amended by striking out “twenty-second birthday” and inserting in lieu thereof “twenty-third birthday”.

(d) UNITED STATES AIR FORCE ACADEMY.—Section 9346(a) of title 10, United States Code, is amended by striking out “twenty-second birthday” and inserting in lieu thereof “twenty-third birthday”.

(e) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of enactment of this Act; the amendments made by subsections (b) through (d) shall take effect with regard to individuals entering the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy after June 1, 1997.

SEC. 511. EXPANSION OF SENIOR RESERVE OFFICERS' TRAINING CORPS ADVANCED TRAINING PROGRAM TO INCLUDE GRADUATE STUDENTS.

(a) IN GENERAL.—Section 2107(c) of title 10, United States Code, is amended by inserting before the last sentence the following new penultimate sentence: “The Secretary of the military department concerned may provide similar financial assist-

ance to a student enrolled in an advanced education program beyond the baccalaureate degree level provided the student also is a cadet or midshipman in an advanced training program.”.

(b) **CONFORMING AMENDMENT.**—Paragraph (2) of subsection (h) of such section 2107 is amended in the first sentence—

(1) by striking out “two years” and inserting in lieu thereof “up to two years”, and

(2) by striking out “four years” and inserting in lieu thereof “up to four years”.

(c) **DEFINITIONAL CHANGE.**—Paragraph (3) of section 2101 of title 10, United States Code, is amended by inserting “students enrolled in an advanced education program beyond the baccalaureate degree level or to” after “instruction offered in the Senior Reserve Officers’ Training Corps to”.

Subtitle C—Other Matters

SEC. 515. CLARIFYING DEFINITION OF ACTIVE STATUS.

The definition of “active status” in section 101(d)(4) of title 10, United States Code, is amended by striking out “a reserve commissioned officer, other than a commissioned warrant officer”; and inserting in lieu thereof the following: “a member of a reserve component”.

SEC. 516. CHIEF WARRANT OFFICER PROMOTIONS.

(a) **REDUCTION OF MINIMUM TIME IN GRADE REQUIRED FOR CHIEF WARRANT OFFICER TO BE CONSIDERED FOR PROMOTION.**—Section 574(e) of title 10, United States Code, is amended by striking out “three” and inserting in lieu thereof “two”.

(b) **AUTHORIZATION OF BELOW-ZONE SELECTION FOR PROMOTION TO GRADE OF CHIEF WARRANT OFFICER.**—Section 575(b) of such title 10 is amended by inserting “chief warrant officer, W-3,” after “to consider warrant officers for selection for promotion to the grade of”.

SEC. 517. REVISIONS TO MISSING PERSONS AUTHORITIES.

(a) **REPEAL OF JUDICIAL REVIEW AND PREENACTMENT, SPECIAL INTEREST CASES PROVISIONS.**—Section 1508 and 1509 of title 10, United States Code, are hereby repealed.

(b) **TRANSMISSION THROUGH THEATER COMPONENT COMMANDER.**—(1) Section 1502 of title 10, United States Code, is amended—

(A) in subsection (a)(2)—

(i) by striking “48 hours” and inserting in lieu thereof “10 days”; and

(ii) by striking “theater component commander” and inserting in lieu thereof “Secretary concerned”;

(B) by striking out subsection (b);

(C) by redesignating subsection (c) as subsection (b); and

(D) in subsection (b), as so redesignated, by striking “The theater component commander” and all that follows to the end of the subsection.

(2) Section 1503(a) of such title is amended by striking “1502(b)” and inserting in lieu thereof “1502(a)”.

(3) Section 1513 of such title 10 is amended by striking out paragraph (8).

(c) **COUNSEL FOR MISSING PERSON.**—(1) Section 1503 of title 10, United States Code, is amended—

(A) by striking subsection (f);

(B) by redesignating subsections (g), (h), (i), (j), and (k) as subsections (f), (g), (h), (i) and (j), respectively;

(C) in subsection (g)(3), as so redesignated, by striking “(j)” and inserting in lieu thereof “(i)”;

(D) in subsection (j), as so redesignated—

(i) by striking “(i)” and inserting in lieu thereof “(h)”;

(ii) in paragraph (1)(B) by striking “(h)” and inserting in lieu thereof “(g)”;

and

(E) in subsection (k), as so redesignated, by striking “(i)” and inserting in lieu thereof “(h)”.

(2) Section 1504 of such title is amended—

(A) in subsection (a) by striking “(i)” and inserting in lieu thereof “(h)”;

(B) by striking subsection (f);

(C) by redesignating subsections (g), (h), (i), (j), (k), (l) and (m) as subsections (f), (g), (h), (i), (j), (k) and (l), respectively;

(D) in subsection (g)(3)(A), as so redesignated, by striking “and the counsel for the missing person appointed under subsection (f)”;

(E) in subsection (j), as so redesignated—

- (i) in paragraph (1) by striking "(j)" and inserting in lieu thereof "(i)";
 - (ii) by striking paragraph (1)(B);
 - (iii) by redesignating paragraph (1)(C) as paragraph (1)(B);
 - (iv) in paragraph (1)(B), as so redesignated, by striking "(g)(5)" inserting in lieu thereof "(f)(5)"; and
 - (v) in paragraph (2) by striking "(C)" and inserting in lieu thereof "(B)";
- (F) in subsection (k), as so redesignated, by striking "(k)" and inserting in lieu thereof "(j)"; and
- (G) in subsection (l), as so redesignated, by striking "(k)" and inserting in lieu thereof "(j)".
- (3) Section 1505(c) of such title is amended—
- (A) in paragraph (2) by striking "(A) the designated missing person's counsel for that person, and (B)"; and
 - (B) in paragraph (3) by striking "with the advice of the missing person's counsel notified under paragraph (2), .
- (d) THREE YEAR REVIEWS.—Section 1505 of title 10, United States Code, is amended by striking subsection (b) and inserting in lieu thereof—
- "(b) FREQUENCY OF SUBSEQUENT REVIEWS.—The Secretary shall appoint a board to conduct an inquiry with respect to a missing person under this subsection upon receipt of information that may result in a change of status of the missing person."
- (e) WRONGFUL WITHHOLDING.—Section 1506 of title 10, United States Code, is amended—
- (1) by striking subsection (e); and
 - (2) by redesignating subsection (f) as subsection (e), respectively.
- (f) RECOMMENDATION ON STATUS OF DEATH.—Section 1507(b) of title 10, United States Code, is amended by striking paragraphs (3) and (4).
- (g) DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES AND CONTRACTOR EMPLOYEES.—Section 1501(c) of title 10, United States Code, is amended—
- (1) by striking "the following persons: (1) Any" and inserting in lieu thereof "any"; and
 - (2) by striking paragraph (2).
- (h) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 76 of title 10, United States Code, is amended by striking the items referring to sections 1508 and 1509.

SEC. 518. AUTHORITY FOR TEMPORARY PROMOTIONS OF CERTAIN NAVY LIEUTENANTS.

Section 5721 of title 10, United States Code, is amended by striking subsection (g).

SEC. 519. EXTENSION IN THE DELAYED ENTRY PROGRAM OF UP TO 180 DAYS FOR MERITORIOUS CASES.

Section 513(b) of title 10, United States Code, is amended—

- (1) by adding after the first sentence the following new sentence: "The Secretary concerned may extend the above 365-day limitation period for a person in the delayed entry program for up to an additional 180 days when he or she considers it expedient to do so."; and
- (2) in the last sentence by striking out "the preceding sentence" and inserting in lieu thereof "under this section".

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1997.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any adjustment required by section 1009 of title 37, United States Code, in elements of compensation of members of the uniformed services to become effective during fiscal year 1997 shall not be made.

(b) INCREASE IN BASIC PAY, BAS, AND BAQ.—Effective on January 1, 1997, the rates of basic pay, basic allowance for subsistence, and basic allowance for quarters of members of the uniformed services are increased by 3.0 percent.

SEC. 602. RESTRICTION ON ENTITLEMENT TO BASIC ALLOWANCE FOR QUARTERS FOR RESERVE COMPONENT MEMBERS.

Section 403(a) of title 37, United States Code, is amended by adding at the end of paragraph (1) the following new sentence: "A member of the Ready Reserve who is serving on active duty for a period of fifteen days or less and who is provided

government quarters is not entitled to a basic allowance for quarters unless accompanied by his dependents.”.

SEC. 603. CONTINUOUS BAQ/VHA FOR SINGLE MEMBERS WHO PCS TO DEPLOYED UNIT; AUTHORIZATION TO QUARTERS ASHORE (EITHER ADEQUATE OR INADEQUATE), OR BASIC ALLOWANCE FOR QUARTERS FOR E-5 MEMBERS, WITHOUT DEPENDENTS, ASSIGNED TO SEA DUTY; AND BAQ/VHA FOR SHIPBOARD MILITARY COUPLES.

Section 403(c)(2) of title 37, United States Code, is amended—

(1) at the beginning of the first sentence by striking “A member” and inserting in lieu thereof “Except as otherwise provided in this paragraph, a member”; and

(2) by striking the second sentence and inserting in lieu thereof “Under regulations of the Secretary concerned that must consider the availability of quarters, such Secretary may authorize payment of the basic allowance for quarters to a member of a uniformed service under the Secretary’s jurisdiction when the member is without dependents, is serving in pay grade E-5, and is assigned to sea duty. Two members of the uniformed services in pay grades below E-6, who are married to each other and have no other dependents, and who are simultaneously assigned to sea duty on ships are entitled to a basic allowance for quarters (equal to the with dependents rate of the pay grade of the senior member only).”.

(b) The amendments made by this section shall become effective July 1, 1997. With the approval of the Secretary of Defense, if funds are available for such purpose, the Secretary of a Military Department may implement such amendments on an appropriate date following the date of enactment of this Act.

SEC. 604. ADJUSTMENTS IN CADET AND MIDSHIPMEN PAY.

Section 203(c) of title 37, United States Code, is amended by striking paragraph (2) in its entirety and “(1)” at the beginning of the subsection.

Subtitle B—Extension of Bonus and Incentive Pays

SEC. 605. EXTENSION OF AUTHORITY RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) **AVIATION OFFICER RETENTION BONUS.**—Section 301b(a) of title 37, United States Code, is amended by striking out “September 30, 1997,” and inserting in lieu thereof “September 30, 1999”.

(b) **REENLISTMENT BONUS FOR ACTIVE MEMBERS.**—Section 308(g) of title 37, United States Code, is amended by striking out “September 30, 1997” and inserting in lieu thereof “September 30, 1999”.

(c) **ENLISTMENT BONUSES FOR CRITICAL SKILLS.**—Sections 308a(c) and 308f(c) of title 37, United States Code, are each amended by striking out “September 30, 1997” and inserting in lieu thereof “September 30, 1999”.

(d) **SPECIAL PAY FOR ENLISTED MEMBERS OF THE SELECTED RESERVE ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.**—Section 308d(c) of title 37, United States Code, is amended by striking out “September 30, 1997” and inserting in lieu thereof “September 30, 1999”.

(e) **REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.**—Section 16302(d) of title 10, United States Code, is amended by striking out “October 1, 1997” and inserting in lieu thereof “October 1, 1999”.

(f) **SPECIAL PAY FOR CRITICALLY SHORT WARTIME HEALTH SPECIALISTS IN THE SELECTED RESERVES.**—Section 302g(f) of title 37, United States Code, is amended by striking out “September 30, 1997” and inserting in lieu thereof “September 30, 1999”.

(g) **SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.**—Section 312(e) of title 37, United States Code, is amended by striking out “September 30, 1997” and inserting in lieu thereof “September 30, 1999”.

(h) **NUCLEAR CAREER ACCESSION BONUS.**—Section 312b(c) of title 37, United States Code, is amended by striking out “September 30, 1997” and inserting in lieu thereof “September 30, 1999”.

(i) **NUCLEAR CAREER ANNUAL INCENTIVE BONUS.**—Section 312c(d) of title 37, United States Code, is amended by striking out “October 1, 1997” and inserting in lieu thereof “October 1, 1999”.

SEC. 606. EXTENSION OF CERTAIN BONUSES FOR RESERVE FORCES.

(a) **SELECTED RESERVE REENLISTMENT BONUS.**—Section 308b(f) of title 37, United States Code, is amended by striking out “September 30, 1997” and inserting in lieu thereof “September 30, 1999”.

(b) **SELECTED RESERVE ENLISTMENT BONUS.**—Section 308c(e) of title 37, United States Code, is amended by striking out “September 30, 1997” and inserting in lieu thereof “September 30, 1999”.

(c) **SELECTED RESERVE AFFILIATION BONUS.**—Section 308e(e) of title 37, United States Code, is amended by striking out “September 30, 1997” and inserting in lieu thereof “September 30, 1999”.

(d) **READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.**—Section 308h(g) of title 37, United States Code, is amended by striking out “September 30, 1997” and inserting in lieu thereof “September 30, 1999”.

(e) **PRIOR SERVICE ENLISTMENT BONUS.**—Section 308i(i) of title 37, United States Code, is amended by striking out “September 30, 1997” and inserting in lieu thereof “September 30, 1999”.

SEC. 607. EXTENSION AND MODIFICATION OF CERTAIN BONUSES AND SPECIAL PAY FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES AND NURSE ANESTHETISTS.

(a) **NURSE OFFICER CANDIDATE ACCESSION PROGRAM.**—Section 2130a(a)(1) of title 10, United States Code, is amended by striking out “September 30, 1997” and inserting in lieu thereof “September 30, 1999”.

(b) **ACCESSION BONUS FOR REGISTERED NURSES.**—Section 302d(a)(1) of title 37, United States Code, is amended by striking out “September 30, 1997” and inserting in lieu thereof “September 30, 1999”.

(c) **INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.**—Section 302e(a)(1) of title 37, United States Code, is amended by striking out “September 30, 1997” and inserting in lieu thereof “September 30, 1999”.

Subtitle C—Travel and Transportation Allowances**SEC. 610. ROUND-TRIP TRAVEL ALLOWANCES FOR SHIPPING MOTOR VEHICLES AT GOVERNMENT EXPENSE.**

(a) **IN GENERAL.**—Section 406(b)(1)(B) of title 37, United States Code, is amended as follows:

(1) in clause (i)(I) by inserting “, including return travel to the old duty station,” after “nearest the old duty station”; and

(2) in subparagraph (ii) by inserting “, including travel from the new duty station to the port of debarkation to pick up the vehicle” after “to the new duty station”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall become effective July 1, 1997. With the approval of the Secretary of Defense, if funds are available for such purpose, the Secretary of a Military Department may implement such amendments at an earlier date following the date of enactment of this Act.

SEC. 611. AUTHORITY TO REIMBURSE DEPARTMENT OF DEFENSE DOMESTIC DEPENDENT-SCHOOL-BOARD MEMBERS FOR CERTAIN PROGRAMS AND ACTIVITIES.

Section 2164(d) of title 10, United States Code, is amended by adding at the end a new paragraph (7) as follows:

“(7) The Secretary may provide for reimbursement to a school board member for travel and transportation expenses, to include program and activity fees, that the Secretary determines are reasonable and necessary to the performance of school board duties.”.

SEC. 612. STORAGE OF A MOTOR VEHICLE IN LIEU OF TRANSPORTATION.

(a) Section 2634 of title 10, United States Code, is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by adding a new subsection (b) as follows:

“(b) In lieu of transportation authorized by this section, if a member is ordered to a foreign country, and the laws, regulations, or other restrictions imposed by the foreign country or the United States Government preclude entry or require extensive modification as a condition to entry of the member’s (or a dependent of the member’s) motor vehicle into such country, such member may elect storage at the expense of the United States, to include authorized costs associated with the delivery of the motor vehicle for storage and removal for delivery to the next authorized destination.”.

(b) Clause (h)(1)(B) of section 406 of title 37, United States Code, is amended to read as follows:

“(B) in the case of a member described in paragraph 2(A), authorize the transportation of one motor vehicle that is owned by the member (or a dependent of a member) and is for his dependent’s personal use to that location by means of transportation authorized under section 2634 of title 10, or storage of such motor vehicle as authorized under said section.”.

(c) The amendments made by this section shall become effective July 1, 1997. With the approval of the Secretary of Defense, if funds are available for such purpose, the Secretary of a Military Department may implement such amendments earlier than July 1, 1997, but not earlier than the date of enactment of this Act.

SEC. 613. REPEAL OF PROHIBITION ON PAYMENT OF LODGING EXPENSES WHEN ADEQUATE GOVERNMENT QUARTERS ARE AVAILABLE.

Section 1589 of title 10, United States Code, is repealed.

Subtitle D—Retired Pay, Survivor Benefits, and Related Matters

SEC. 615. EFFECTIVE DATE FOR MILITARY RETIREE COST-OF-LIVING ADJUSTMENT FOR FISCAL YEAR 1998.

(a) **ADJUSTMENT OF EFFECTIVE DATE.**—Subparagraph (B) of section 1401a(b)(2) of title 10, United States Code, is amended to read as follows:

“(B) **SPECIAL RULE FOR FISCAL YEAR 1996.**—In the case of the increase in retired pay that, pursuant to paragraph (1), becomes effective on December 1, 1995, the initial month for which such increase is payable as part of such retired pay shall (notwithstanding such December 1 effective date) be March 1996.”.

(b) **REPEAL OF CONTINGENT ALTERNATIVE DATE FOR FISCAL YEAR 1998.**—Section 631 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 364) is amended by striking subsection (b) and further, by redesignating subsection (c) as the new subsection (b).

SEC. 616. CLARIFYING USE OF MILITARY MORALE, WELFARE, AND RECREATION FACILITIES BY RETIRED RESERVISTS.

Section 1065(a) of title 10, United States Code, is amended by striking out the last sentence and inserting in lieu thereof the following: “Such use by members of the Selected Reserve, and the dependents of such members, shall be permitted on the same basis as members on active duty. Such use by members who would be eligible for retired pay under chapter 67 of this title but for the fact that the members are under 60 years of age, and the dependents of such members, shall be on the same basis as members who retired after serving 20 or more years on active duty.”.

Subtitle E—Other Matters

SEC. 620. DISABILITY COVERAGE FOR OFFICERS GRANTED EXCESS LEAVE FOR EDUCATIONAL PURPOSES.

(a) **ELIGIBILITY FOR RETIREMENT.**—Section 1201 of title 10, United States Code, is amended by striking in the first sentence “Upon a determination” and all that follows to the first dash and inserting in lieu thereof the following: “Upon a determination by the Secretary concerned that a member of a regular component of the armed forces entitled to basic pay, or any other member of the armed forces entitled to basic pay who has been called or ordered to active duty (other than for training under section 10148(a) of this title) for a period of more than 30 days, or a member of a regular component of the armed forces who, while on active duty, is not entitled to basic pay because he is authorized by the Secretary concerned under section 502(b) of title 37 to participate in an educational program, is unfit to perform the duties of his office, grade, rank, or rating because of physical disability incurred while entitled to basic pay, or while not entitled to basic pay because he is authorized by the Secretary concerned under section 502(b) of title 37 to participate in an educational program, the Secretary may retire the member, with retired pay computed under section 1401 of this title, if the Secretary also determines that”.

(b) **ELIGIBILITY FOR PLACEMENT ON TEMPORARY DISABILITY RETIREMENT LIST.**—Section 1202 of title 10, United States Code, is amended by inserting “or a member of a regular component of the armed forces who, while on active duty, is not entitled to basic pay because he is authorized by the Secretary concerned under section

502(b) of title 37 to participate in an educational program," after "for a period of more than 30 days."

(c) **ELIGIBILITY FOR SEPARATION.**—Section 1203 of title 10, United States Code, is amended by striking in the first sentence "Upon a determination" and all that follows to the first dash and inserting in lieu thereof the following: "Upon a determination by the Secretary concerned that a member of a regular component of the armed forces entitled to basic pay, or any other member of the armed forces entitled to basic pay who has been called or ordered to active duty (other than for training under section 10148(a) of this title) for a period of more than 30 days, or a member of a regular component of the armed forces who, while on active duty, is not entitled to basic pay because he is authorized by the Secretary concerned under section 502(b) of title 37 to participate in an educational program, is unfit to perform the duties of his office, grade, rank, or rating because of physical disability incurred while entitled to basic pay, or while not entitled to basic pay because he is authorized by the Secretary concerned under section 502(b) of title 37 to participate in an educational program, the member may be separated from his armed force with severance pay computed under section 1212 of this title, if the Secretary also determines that—"

(d) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on the date of the enactment of this Act and apply with respect to physical disabilities incurred on or after such date.

SEC. 621. AMENDMENTS TO THE UNIFORMED SERVICES FORMER SPOUSES' PROTECTION ACT.

Section 1408 of title 10, United States Code, is amended as follows:

(1) In subsection (b)(1), by striking out "certified or registered mail, return receipt requested" in paragraph (A) and inserting in lieu thereof, "facsimile or electronic transmission, mail".

(2) In subsection (e)—

(A) by adding after subparagraph (3) the following new subparagraph (4):
 "(4) An order modifying or clarifying the original court order upon which payments under this section are based and issued by a state other than the state issuing the original court order shall not be honored unless the court modifying or clarifying the original court order is found to have jurisdiction over both the member and former spouse in accordance with the guidance set forth in subsection (c)(4)."; and

(B) by redesignating subparagraphs (4), (5), and (6), as subparagraphs (5), (6), and (7), respectively.

(3) In subsection (h), by amending subparagraph (10)(A) to read as follows:
 "(10)(A) For purposes of this subsection, in the case of a member of the armed services who has been sentenced by a court-martial to receive punishment that will terminate the eligibility of that member to receive retired pay if executed, the eligibility of that member to receive retired pay may, as determined by the Secretary concerned, be considered terminated effective either upon the approval of that sentence by the person acting under section 860(c) of this title (article 60(c) of the Uniform Code of Military Justice), or upon the discharge of the member from the uniformed services."

SEC. 622. TRAVEL AND TRANSPORTATION ALLOWANCES: TRAVEL PERFORMED IN CONNECTION WITH LEAVE BETWEEN CONSECUTIVE OVERSEAS TOURS.

(a) **ADDITIONAL DEFERRAL.**—Paragraph (2) of subsection 411b(a) of title 37, United States Code, is amended by inserting at the end the following new sentence: "Notwithstanding the limitation in the preceding sentence, a member who is unable to travel under this provision prior to completion of the one year period after the date the member begins the consecutive overseas tour of duty or arrives at a new duty station due to participation in a critical operational mission, as determined by the Service Secretaries or their designated representatives, may, under the uniform regulations referred to in paragraph (1), defer that travel for a period not to exceed one year after assignment from the critical operational mission that precluded the travel."

(b) **EFFECTIVE DATE.**—The amendment made by this section shall be effective for all members participating in critical operational missions on or after 1 November 1995.

TITLE VII—HEALTH CARE PROVISIONS

SEC. 701. TECHNICAL REVISION TO CHAMPUS PAYMENT LIMITS FOR TRICARE PRIME ENROLLEES.

Section 1079(h)(4) of title 10, United States Code, is amended in the second sentence by striking "emergency".

SEC. 702. REPEAL OF THE STATUTORY RESTRICTION ON USE OF FUNDS FOR ABORTIONS.

(a) IN GENERAL.—Section 1093 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55, United States Code, is amended by striking out the item referring to section 1093.

SEC. 703. MEDICAL AND DENTAL CARE FOR RESERVE COMPONENT MEMBERS IN A DUTY STATUS.

(a) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by striking out section 1074a and inserting in lieu thereof the following:

"§ 1074a. Medical and dental care for Reserve component members in a duty status

"(a) Under joint regulations prescribed by the administering Secretaries, the following persons are entitled to the benefits described in subsection (b):

"(1) Each member of a reserve component of a uniformed service who incurs or aggravates an injury, illness, or disease in the line of duty while performing—

"(A) active duty, active duty for training, annual training or full-time National Guard duty, or

"(B) inactive duty training, in a pay or nonpay status.

"(2) Each member of a reserve component of a uniformed service who incurs or aggravates an injury, illness, or disease while traveling directly to or from the place at which that member is to perform or has performed—

"(A) active duty, active duty for training, annual training or full-time National Guard duty, or

"(B) inactive duty training, in a pay or nonpay status.

"(3) Each member of a reserve component of a uniformed service who incurs or aggravates an injury, illness, or disease in the line of duty while remaining overnight, between successive periods of inactive duty training, and the site is outside reasonable commuting distance from the member's residence.

"(b) A person described in subsection (a) is entitled to—

"(1) the medical and dental care appropriate for the treatment of the injury, illness, or disease of that person until the member completes treatment and is returned to full military duty or has completed processing in accordance with chapter 61 of this title;

"(2) upon the member's request, continuation on active duty, for personnel included in subsections (a)(1)(A) and (a)(2)(A), during the period of hospitalization resulting from the injury, illness, or disease; and

"(3) the pay and allowances authorized in accordance with sections 204 (g) and (h) of title 37, United States Code.

"(c) A member is not entitled to benefits under this section if the injury, illness, or disease, or aggravation of an injury, illness, or disease described in subsection (a)(2), is the result of the gross negligence or misconduct of the member."

(b) CLERICAL AMENDMENT.—The table of sections for such chapter 55 is amended by striking out the item referring to section 1074a and inserting in lieu thereof the following:

"1074a. Medical and dental care for Reserve component members in a duty status."

SEC. 704. IMPROVED DEATH AND DISABILITY BENEFITS FOR RESERVISTS.

(a) MEDICAL AND DENTAL CARE.—Section 1074a(a) of title 10, United States Code, is amended by inserting after paragraph (2) the following new paragraph:

"(3) Each member of the armed forces who incurs or aggravates an injury, illness, or disease in the line of duty while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, and the site is outside reasonable commuting distance from the member's residence."

(b) RECOVERY, CARE, AND DISPOSITION OF REMAINS.—Section 1481(a)(2) of title 10, United States Code, is amended—

(1) in subparagraph (C) by striking out "or" at the end;

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following new subparagraph:

"(D) remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, and the site is outside reasonable commuting distance from the member's residence; or".

(c) **RETIREMENT/SEPARATION FOR DISABILITY.**—Section 1204(2) of title 10, United States Code, is amended by striking out the semicolon at the end of the subparagraph and inserting the following: "or in line of duty while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, and the site is outside reasonable commuting distance from the member's residence."

(d) **ENTITLEMENT TO BASIC PAY.**—(1) Subsection (g)(1) of section 204 of title 37, United States Code, is amended—

(A) in subparagraph (B), by striking out "or" at the end of the subparagraph;

(B) in subparagraph (C), by striking out the period at the end of the subparagraph and inserting in lieu thereof "; or"; and

(C) by inserting after subparagraph (C) the following new subparagraph:

"(D) in line of duty while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, and the site is outside reasonable commuting distance from the member's residence."

(2) Subsection (h)(1) of such section is amended—

(A) in subparagraph (B) by striking out "or" at the end of the subparagraph;

(B) in subparagraph (C), by striking out the period at the end of the subparagraph and inserting in lieu thereof "; or"; and

(C) by inserting after subparagraph (C) the following new subparagraph:

"(D) in line of duty while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, and the site is outside reasonable commuting distance from the member's residence."

(e) **COMPENSATION FOR INACTIVE-DUTY TRAINING.**—Section 206(a)(3) of title 37 is amended—

(1) in subparagraph (A) by striking out "or" at the end of clause (ii);

(2) in subparagraph (B), by striking out the period at the end of the subparagraph and inserting in lieu thereof "; or"; and

(3) by inserting after subparagraph (B) the following new subparagraph:

"(C) in line of duty while overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, and the site is outside reasonable commuting distance from the member's residence."

TITLE XIII—ACQUISITION AND RELATED MATTERS

SEC. 801. REPEAL OF PROCUREMENT TECHNICAL ASSISTANCE COOPERATIVE AGREEMENT PROGRAM.

(a) **REPEAL.**—Chapter 142 of title 10, United States Code, is hereby repealed.

(b) **CONFORMING AMENDMENT.**—Part IV of Subtitle A of such title is amended by striking out in the table of chapters at the beginning of such title the item referring to chapter 142.

SEC. 802. EXTENSION OF PILOT MENTOR PROGRAM.

Section 831(j)(2) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 10 U.S.C. 2301 note) is amended by striking out "1996" and inserting in lieu thereof "1998."

SEC. 803. EXTENSION AND REVISION OF AUTHORITY TO ENTER INTO PROTOTYPE PROJECTS.

Section 845 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160; 10 U.S.C. 2371 note) is amended—

(1) in subsection (a) by inserting after "Agency" " , the Secretary of a military department or other official designated by the Secretary of Defense";

(2) in subsection (c)—

(A) by striking "of the Director"; and

(B) by striking "3 years after the date of enactment of this Act" and inserting in lieu thereof "on September 30, 1999";

(3) by redesignating subsection (c) as subsection (d); and

(4) by inserting after subsection (b) the following new subsection (c):

"(c) **FOLLOW-ON.**—Notwithstanding any other provision of law, the Secretary of Defense may conduct a follow-on acquisition of any prototype or technology dem-

onstrator developed under the authority of this section utilizing such acquisition procedures as the Secretary determines appropriate.”.

SEC. 804. AUTHORITY FOR PAYMENTS FROM CANCELED ACCOUNT FOR SHIPBUILDING AND CONVERSION TO BE MADE FROM PRIOR YEARS ACCOUNT.

For purposes of section 1553(b) of title 31, United States Code, any subdivision of appropriations made in this Act and hereafter under the heading “Shipbuilding and Conversion, Navy” shall be considered to be for the same purpose as any subdivision under the heading “Shipbuilding and Conversion, Navy” appropriations in any prior year.

SEC. 805. RELIANCE ON THE PRIVATE SECTOR FOR SUPPLIES AND SERVICES.

(a) **IN GENERAL.**—The Secretary of Defense shall rely on the private sector, to the maximum extent practicable, for commercial or industrial type supplies and services necessary for or beneficial to the accomplishment of the authorized functions of the Department, except when the Secretary or his designee determines, in his discretion, that the function should be performed by government personnel.

(b) **AUTHORITY.**—Notwithstanding any provision of title 10, United States Code, or any statute authorizing appropriations for, or making appropriations for, the Department of Defense, the Secretary may acquire by contract from the private sector or any non-federal government entities those commercial or industrial type supplies and services necessary for or beneficial to the accomplishment of the authorized functions of the Department. The Secretary shall use the procurement procedures of chapter 137 of title 10, United States Code; however, when the Secretary provides for the procurement of such supplies and services using competitive procedures, the Secretary may limit the place of performance to the location where such supplies or services are being provided by federal government personnel when the Secretary determines it is in the public interest.

TITLE IX—ORGANIZATION AND MANAGEMENT

SEC. 901. CHANGE IN NAME OF NORTH AMERICAN AIR DEFENSE COMMAND.

Section 162 of title 10, United States Code, is amended by striking out “North American Air Defense Command” each place it appears and inserting in lieu thereof “United States Element, North American Aerospace Defense Command”.

SEC. 902. AMENDMENT TO BOARD MEMBERSHIP OF THE AMMUNITION STORAGE BOARD.

Section 172(a) of title 10, United States Code, is amended by inserting “composed” after “a joint board” and by inserting “, civilian employees of the Department of Defense, or both” after “of officers”.

Subtitle B—Financial Management

SEC. 910. DEVOLUTION OF ENVIRONMENTAL RESTORATION TRANSFER ACCOUNTS TO THE MILITARY DEPARTMENTS.

(a) Section 2703 of title 10, United States Code, is amended to read as follows:

“§ 2703. Environmental restoration transfer accounts

“(a) ESTABLISHMENT OF TRANSFER ACCOUNTS.—

“(1) **ESTABLISHMENT.**—There is hereby established in the Department of Defense and in each of the Military Departments, an account to be known as the “Environmental Restoration Account” (hereinafter in this section referred to as the “transfer accounts”). All sums appropriated to carry out the functions of the Secretary of Defense and the Secretaries of the Military Departments relating to environmental restoration under this chapter or to environmental restoration under any other provision of law shall be appropriated to their respective transfer accounts.

“(2) **REQUIREMENT OF AUTHORIZATION OF APPROPRIATIONS.**—No funds may be appropriated to the transfer accounts unless such sums have been specifically authorized by law.

“(3) **AVAILABILITY OF FUNDS IN TRANSFER ACCOUNTS.**—Amounts appropriated to the transfer accounts shall remain available until transferred under subsection (b).

“(b) AUTHORITY TO TRANSFER TO OTHER ACCOUNTS.—Amounts in their respective transfer accounts shall be available to be transferred by the Secretary of Defense or the Secretaries of the Military Departments to any appropriation account or fund of their Departments for obligation from that account or fund to which transferred.

"(c) OBLIGATION OF TRANSFERRED AMOUNTS.—Funds transferred under subsection (b) may only be obligated or expended from the account or fund to which transferred in order to carry out the functions of the Secretary of Defense or the Secretaries of the Military Departments under this chapter or environmental restoration functions under any other provision of law.

"(d) AMOUNTS RECOVERED UNDER CERCLA.—Amounts recovered under section 107 of CERCLA for response actions of the Secretary of Defense or a Secretary of a Military Department shall be credited to their respective transfer account.

"(e) PAYMENTS OF FINES AND PENALTIES.—None of the funds appropriated to the transfer account for fiscal years 1995 through 1999 may be used for the payment of a fine or penalty imposed against the Department of Defense unless the act of omission for which the fine or penalty is imposed arises out of an activity funded by the transfer account.

"(f) CONFORMING AMENDMENT.—Reference to the 'Defense Environmental Restoration Account' elsewhere in the law shall be construed as referring to the 'Environmental Restoration Account' of the Department of Defense and each of the military departments."

SEC. 911. RECRUITING FUNCTIONS: USE OF FUNDS.

(a) AUTHORITY.—Chapter 31 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 520c. Recruiting functions: use of funds

"Under regulations prescribed by the Secretary concerned, funds appropriated to the Department of Defense, not to exceed \$2,000,000 annually, may be expended for small meals and snacks during recruiting functions for—

"(1) persons who have entered the Delayed Entry Program under section 513 of this chapter or other persons who are the subject of recruiting efforts by the regular and reserve components;

"(2) influential persons in communities who assist the military departments in their recruiting efforts;

"(3) military or civilian personnel whose attendance is mandatory at such functions."; and

"(4) other persons whose presence at recruiting functions will contribute to recruiting efforts."; and

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"520c. Recruiting functions: use of funds."

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. REPEAL OF REQUIREMENT FOR SEPARATE BUDGET REQUEST FOR PROCUREMENT OF RESERVE EQUIPMENT.

Section 114(e) of title 10, United States Code, is repealed.

SEC. 1002. ACCEPTANCE OF SERVICES FOR DEFENSE PURPOSE (DEFENSE COOPERATION ACCOUNT).

Section 2608 of title 10, United States Code is amended—

(1) in subsection (a) by inserting after "money" ", services,"; and

(2) by amending subsection (k) to read as follows:

"(k) the Secretary of Defense is required to establish written rules to carry out this section setting forth the criteria to be used in determining whether the acceptance of contributions of money, real property, personal property, or services would reflect unfavorably upon the ability of the Department of Defense or any employee to carry out its responsibilities or official duties in a fair and objective manner, or would compromise the integrity or the appearance of integrity of its programs or any official involved in those programs."

SEC. 1003. DISPOSITION OF CERTAIN FUNDS ARISING OUT OF THE SALE OF CERTAIN ASSETS AT CLOSED MILITARY INSTALLATIONS.

(a) BASE CLOSURES UNDER 1988 ACT.—Section 204(b)(7) of the Defense Authorization Amendments and Base Closure and Realignment Act (title II to Public Law 100-526, as amended; 10 U.S.C. 2687 note) is amended—

(1) by striking out subsection (C)(i) and inserting in lieu thereof the following:

"(i) if any real property or facility acquired, constructed, or improved (in whole or in part) with commissary store funds or nonappropriated

funds is transferred or disposed of in connection with the closure or realignment of a military installation under this part, a portion of the proceeds of the transfer or other disposal of property on that installation shall be deposited as follows:

“(I) In the case of proceeds from the transfer or other disposal of property acquired, constructed, or improved (in whole or in part) with commissary store funds, the applicable portion shall be deposited in the commissary surcharge fund established pursuant to section 2685 of title 10, United States Code.

“(II) In the case of proceeds from the transfer or other disposal of property acquired, constructed, or improved (in whole or in part) with nonappropriated funds, the applicable portion shall be deposited in a Department of Defense nonappropriated fund account designated by the Secretary.”; and

(2) by redesignating subsection (C)(iii) as subsection (C)(iv) and inserting the following new subsection (C)(iii):

“(iii) The Secretary may use amounts—

“(I) so deposited in the commissary surcharge fund for the purpose of acquiring, constructing, and improving commissary stores; and

“(II) so deposited in the nonappropriated fund account designated by the Secretary for the purpose of acquiring, constructing, and improving real property and facilities for nonappropriated fund instrumentalities.”.

(b) **BASE CLOSURE UNDER 1990 ACT.**—Section 2906 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510, as amended; 10 U.S.C. 2687 note) is amended—

(1) by striking out subsection (d)(1) and inserting in lieu thereof the following:

“(1) If any real property or facility acquired, constructed, or improved (in whole or in part) with commissary store funds or nonappropriated funds is transferred or disposed of in connection with the closure or realignment of a military installation under this part, a portion of the proceeds of the transfer or other disposal of property on that installation shall be deposited as follows:

“(A) In the case of proceeds from the transfer or other disposal of property acquired, constructed, or improved (in whole or in part) with commissary store funds, the applicable portion shall be deposited in the commissary surcharge fund established pursuant to 10 U.S.C. 2685.

“(B) In the case of proceeds from the transfer or other disposal of property acquired, constructed, or improved (in whole or in part) with nonappropriated funds, the applicable portion shall be deposited in a Department of Defense nonappropriated fund account designated by the Secretary.”; and

(2) by striking out subsection (d)(3) and inserting in lieu thereof the following:

“(3) The Secretary may use amounts—

“(A) so deposited in the commissary surcharge fund for the purpose of acquiring, constructing, and improving commissary stores; and

“(B) so deposited in the nonappropriated fund account designated by the Secretary for the purpose of acquiring, constructing, and improving real property and facilities for nonappropriated fund instrumentalities.”.

(c) **BASE CLOSURES UNDER 1991 ACT.**—Section 2921 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510, as amended; 10 U.S.C. 2687 note) is amended in subsection (d)(1)—

(1) by striking out “in the reserve account established under section 204(b)(4)(C) of the Defense Authorization Amendments and Base Closure and Realignment Act” and inserting in lieu thereof “in the commissary surcharge fund established pursuant to section 2685 of title 10 United States Code or in a Department of Defense nonappropriated fund account designated by the Secretary of Defense, consistent with the source of the funds”; and

(2) by striking out the parenthetical “(in such an aggregate amount as is provided in advance by appropriation Acts)”.

(d) **DEFINITION OF PROCEEDS.**—For subsections (a), (b), and (c) above, the term “proceeds” is the amount in excess of the depreciated value from the sale of commissary or nonappropriated fund assets.

Subtitle B—Civilian Personnel

SEC. 1011. EMPLOYMENT AND COMPENSATION PROVISIONS FOR FACULTY MEMBERS AND LEADERSHIP OF THE ASIA-PACIFIC CENTER FOR SECURITY STUDIES.

Section 1595 of title 10, United States Code, is amended—

(1) in subsection (c) by adding at the end the following new paragraph (4):

“(4) The Asia-Pacific Center for Security Studies.”; and

(2) by adding at the end of the section the following new subsection (f):

“(f) APPLICATION TO DIRECTOR AND DEPUTY DIRECTOR AT ASIA-PACIFIC CENTER FOR SECURITY STUDIES.—In the case of the Asia-Pacific Center for Security Studies, this section also applies with respect to the Director and the Deputy Director.”.

SEC. 1012. EXCEPTED APPOINTMENT OF JUDICIAL NON-ATTORNEY STAFF IN THE UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES.

Article 143(c) of the Uniform Code of Military Justice (10 U.S.C. 943(c)) is amended—

(1) in the catchline for the subsection by striking “attorney” and inserting in lieu thereof “certain”; and

(2) in paragraph (1) by inserting after “Court of Appeals for the Armed Forces” “and non-attorney positions established in a judge’s chambers”.

SEC. 1013. CONVERSION OF MILITARY POSITIONS.

Section 1032 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 429) is hereby repealed.

Subtitle C—Reporting Requirements

SEC. 1020. NATIONAL GUARD AND RESERVE COMPONENT EQUIPMENT: ANNUAL REPORT TO CONGRESS.

Section 10541(b)(5)(A) of title 10, United States Code, is amended by striking out “, shown in accordance with deployment schedules and requirements over successive 30-day periods following mobilization”.

SEC. 1021. ANNUAL REPORT ON STRATEGIC DEFENSE INITIATIVE.

Section 224 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (10 U.S.C. 2431 note), is amended—

(1) by striking subsections (b)(3), (b)(4), (b)(7), (b)(9) and (b)(10); and

(2) by redesignating subsections (b)(5), (b)(6), and (b)(8), as (b)(3), (b)(4), and (b)(5), respectively.

SEC. 1022. REPEAL OF REPORT ON CONTRACTOR REIMBURSEMENT COSTS.

Section 2706 of title 10, United States Code, is amended by striking out subsection (c) and by redesignating subsection (d) as subsection (c), respectively.

SEC. 1023. REPEAL OF NOTICE REQUIREMENTS FOR SUBSTANTIALLY OR SERIOUSLY AFFECTED PARTIES IN DOWNSIZING EFFORTS.

Sections 4101 and 4201 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2391 note) are hereby repealed.

Subtitle D—Matters Relating to Other Nations

SEC. 1025. AUTHORIZATION FOR EXECUTION OF DEPARTMENT OF DEFENSE DEMINING PROGRAM.

Section 401(c) of title 10, United States Code, is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph (2):

“(2) In providing the assistance described in subsection (e)(5), such expenses for that assistance may include—

“(A) travel, transportation, and subsistence expenses of personnel participating in such activities; and

“(B) the cost of any equipment, supplies, and services acquired for the purpose of carrying out or supporting such activities, including any equipment, supplies, or services transferred or otherwise provided to a foreign country or other organization in connection with the provision of assistance under this section.”.

Subtitle E—Other Matters

SEC. 1030. NATIONAL DEFENSE TECHNOLOGY AND INDUSTRIAL BASE, DEFENSE REINVESTMENT, AND DEFENSE CONVERSION.

(a) NATIONAL DEFENSE TECHNOLOGY AND INDUSTRIAL BASE COUNCIL.—Section 2502 of title 10, United States Code, is amended by striking out subsection (c)(3).

(b) NATIONAL DEFENSE PROGRAM FOR ANALYSIS OF THE TECHNOLOGY AND INDUSTRIAL BASE.—Section 2503 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by amending paragraph (1) to read as follows:

“(1) The Secretary of Defense shall establish a program for analysis of national technology and industrial base issues, policies, and programs.”; and

(B) by striking out paragraphs (2), (3), and (4);

(2) by striking out subsection (b);

(3) by redesignating subsection (c) as subsection (b);

(4) in subsection (c)(3)(A)—

(A) by striking out “the National Defense Technology and Industrial Base Council in”; and

(B) by striking out “and the periodic plans required by section 2506 of this title.”; and

(5) in subsection (c)(3), by striking subparagraph (C).

(c) NATIONAL TECHNOLOGY AND INDUSTRIAL BASE: PERIODIC DEFENSE CAPABILITY ASSESSMENTS.—Section 2505 of title 10, United States Code, is amended to read as follows:

“§ 2505. National technology and industrial base: periodic defense capability assessments

“(a) PERIODIC ASSESSMENT.—The Secretary of Defense shall, in consultation with the Secretary of Commerce, annually through fiscal year 1998, prepare selected assessments of the capability of the national technology and industrial base to attain national security requirements.

“(b) ASSESSMENT PROCESS.—The Secretary of Defense shall take action to ensure that technology and industrial capability assessments prepared by the Department will—

“(1) describe sectors and their underlying infrastructure;

“(2) analyze economic and financial strengths of sectors, especially those portions that might be affected by defense program reductions; and

“(3) identify technological and industrial capabilities of concern.

“(c) INTEGRATED PROCESS.—The Secretary of Defense shall ensure that the technology and industrial base assessments are integrated into the Department of Defense’s overall budget, acquisition, and logistics decision-making processes.”.

(d) DEPARTMENT OF DEFENSE TECHNOLOGY AND INDUSTRIAL BASE POLICY AND OVERSIGHT.—Section 2506 of title 10, United States Code, is amended to read as follows:

“§ 2506. Department of Defense technology and industrial base policy and oversight

“(a) DEPARTMENTAL GUIDANCE.—The Secretary of Defense shall prescribe Departmental guidance appropriate to implement the national security objectives of the President. The Secretary should also provide for senior-level Departmental oversight to ensure that technological and industrial capability issues are integrated into key decision processes for budget allocation, weapons acquisition, and logistics support.

“(b) REPORT TO CONGRESS.—The Secretary of Defense shall report on the Department’s implementation of Departmental guidance in the annual report to Congress prepared pursuant to section 2508 of this title.”.

(e) ANNUAL REPORT TO CONGRESS.—Subchapter II of chapter 148 of title 10, United States Code, is amended by inserting after section 2507 the following new section:

“§ 2508. Annual report to Congress

“(a) The Secretary of Defense shall transmit an annual report to Congress in March 1997 and March 1998 which shall include the following:

“(1) A description of the Department’s guidance prepared pursuant to section 2506 of this title.

“(2) A description of the various methods and analysis being undertaken to address technological and industrial concerns.

“(3) A description of the assessments used to develop the Department’s annual budget submission.

"(4) Identification of any programs designed to sustain essential technology and industrial capabilities."

(f) ENCOURAGEMENT OF TECHNOLOGY TRANSFER.—Section 2514(c) of title 10, United States Code, is amended by striking out paragraph (5).

(g) MILITARY-CIVILIAN INTEGRATION AND TECHNOLOGY TRANSFER ADVISORY BOARD.—Section 2516 of title 10, United States Code, is amended—

(1) by striking out "National Defense Technology and Industrial Base Council" each place it appears and inserting in lieu thereof in each instance "Secretary of Defense"; and

(2) by striking out "Council" each place it appears and inserting in lieu thereof in each instance "Secretary".

(h) NATIONAL DEFENSE MANUFACTURING TECHNOLOGY PROGRAM.—Section 2521 of title 10, United States Code, is amended—

(1) by striking out subsection (b);

(2) by redesignating subsection (c) as subsection (b).

(i) CONFORMING AMENDMENTS.—Sections 4218, 4219, and 4220 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 10 U.S.C. 2501 note, 2505 note, and 2506 note) are repealed.

(j) CLERICAL AMENDMENTS.—The table of sections at the beginning of Subchapter II of chapter 148 of title 10, United States Code, is amended—

(1) by amending the item relating to section 2506 to read as follows:

"2506. Department of Defense technology and industrial base policy and oversight."; and

(2) by adding at the end the following new item:

"2508. Annual report to Congress."

SEC. 1031. RESTORATION OF AUTHORITY FOR CERTAIN INTRAGOVERNMENT TRANSFERS IN THE BASE CLOSURE AND REALIGNMENT PROCESS.

Section 204(b)(2) of the Defense Authorization Amendments and Base Closure and Realignment Act of 1988 (Public Law 100-256; 10 U.S.C. 2687 note), is amended—

(1) by redesignating subparagraphs (D) and (E) as (E) and (F); and

(2) by inserting before subparagraph (E), as redesignated, the following new subparagraph:

"(D) The Secretary of Defense may transfer real property or facilities located at a military installation to be closed or realigned under this part, with or without reimbursement, to a military department or other entity (including a nonappropriated fund instrumentality) within the Department of Defense or the Coast Guard."

SEC. 1032. CHEMICAL DEMILITARIZATION CITIZENS ADVISORY COMMISSIONS.

Sections 172(b) and 172(f) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 106 Stat. 2341) are amended by striking out "(Installations, Logistics and Environment)" and inserting in lieu thereof "(Research, Development and Acquisition)".

SEC. 1033. TRANSFER OF EXCESS PERSONAL PROPERTY TO SUPPORT LAW ENFORCEMENT AGENCIES.

Section 1208 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (10 U.S.C. 372 note) is amended by striking out subsection (c).

SEC. 1034. CONTROL OF TRANSPORTATION SYSTEMS IN TIME OF WAR.

(a) TRANSFER OF ARMY SECTION TO GENERAL MILITARY LAW SECTION AND SHIFT RESPONSIBILITY TO SECRETARY OF DEFENSE.—Section 4742 of title 10, United States Code, is transferred to chapter 157, inserted at the end, redesignated as section 2643, and amended by striking "the Secretary of the Army" inserting in lieu thereof "the Secretary of Defense".

(b) CONFORMING REPEAL OF AIR FORCE PROVISION.—Section 9742 of such title 10 is hereby repealed.

(c) CLERICAL AMENDMENTS.—(1) the table of sections at the beginning of chapter 447 of such title 10 is amended by striking the item relating to section 4742.

(2) The table of sections at the beginning of chapter 947 of such title 10 is amended by striking the item relating to section 9742.

(3) The tables of sections at the beginning of chapter 157 of such title 10 is amended by inserting after the item relating to section 2642 the following new item:

"2643. Control of transportation systems in time of war."

SEC. 1035. REDESIGNATION OF OFFICE OF NAVAL RECORDS AND HISTORY GIFT FUND TO NAVAL HISTORICAL CENTER FUND.

Section 7222 of title 10, United States Code, is amended—

- (1) by striking out "Naval Records and History gift fund" in the catchline for such section inserting in lieu thereof "Naval Historical Center Fund"; and
 (2) by striking out in subsections (a) and (c) "Office of Naval Records and History" each place such phrase occurs, and inserting in lieu thereof "Naval Historical Center".

SEC. 1036. TRANSPORTATION BY COMMISSARIES AND EXCHANGES TO OVERSEAS LOCATIONS.

(a) **IN GENERAL.**—Chapter 157 of title 10, United States Code, is amended by repealing section 2643.

(b) **CLERICAL AMENDMENT.**—The table of sections at the beginning of such chapter 157 is amended by striking the following item:

"2643. Commissary and exchange services: transportation overseas."

SEC. 1037. AUTHORITY FOR THE SECRETARY OF DEFENSE TO ENTER INTO COOPERATIVE AGREEMENTS FOR THE MANAGEMENT OF CULTURAL RESOURCES ON MILITARY INSTALLATIONS.

(a) Chapter 159 of title 10, United States Code is amended by adding the following new section at the end:

"§ 2694. Cooperative Agreements for the management of cultural resources

"(a) **AUTHORITY.**—The Secretary of Defense or the Secretary of a Military Department may enter into cooperative agreements with States, local governments, or other entities upon such terms considered in the public interest for the preservation, management, maintenance, research, and improvement of cultural resources on military installations.

"(b) **CONTENT OF AGREEMENTS.**—A cooperative agreement entered into under this section shall be subject to the availability of funds and shall not be considered, nor treated as, a cooperative agreement to which chapter 63 of title 31 applies, and shall not subject to section 1535, of such title, provide for the Secretary of Defense and the other party or parties to the agreement.

"(c) **DEFINITION.**—For the purpose of this section, the term 'cultural resource' means any building, structure, site, district, and object eligible for or included in the National Register of Historic Places (16 U.S.C. 470a); a cultural item as defined by section 2(3) of the Native American Graves Protection and Repatriation Act (104 Stat. 3048); an archaeological resource as defined by section 3 of the Archaeological Resources Protection Act of 1979 (16 U.S.C. 470bb(1)); and archaeological artifact collections and associated records as defined by section 79 of title 36, Code of Federal Regulations 79."

(b) The table of sections for such chapter is amended by inserting after the item relating to section 2693 the following new item:

"2694. Cooperative Agreements for the management of cultural resources."

SEC. 1038. MEDAL OF HONOR FOR AFRICAN AMERICAN SOLDIERS WHO SERVED IN WORLD WAR II.

(a) **INAPPLICABILITY OF TIME LIMITATIONS.**—Notwithstanding the time limitation in section 3744(b) of title 10, United States Code, or any other time limitation, the President may award the Medal of Honor to each person identified in subsection (b), each of whom distinguished himself conspicuously by gallantry and intrepidity at the risk of his life above and beyond the call of duty while serving in the United States Army during World War II.

(b) **AFRICAN-AMERICANS TO RECEIVE THE MEDAL OF HONOR.**—

(1) Vernon J. Baker, who served as a first lieutenant in the 370th Infantry Regiment, 92nd Infantry Division.

(2) Edward A. Carter, who served as a staff sergeant in the 56th Armored Infantry Battalion, Twelfth Armored Division.

(3) John R. Fox, who served as a first lieutenant in the 366th Infantry Regiment, 92nd Infantry Division.

(4) Willy F. James, Jr., who served as a private first class in 413th Infantry Regiment, 104th Infantry Division.

(5) Ruben Rivers, who served as a staff sergeant in the 761st Tank Battalion.

(6) Charles L. Thomas, who served as a first lieutenant in the 614th Tank Destroyer Battalion.

(7) George Watson, who served as a private in the 29th Quartermaster Regiment.

(c) **POSTHUMOUS AWARD.**—The Medal of Honor may be awarded under this section posthumously, as provided in section 3752 of title 10, United States Code.

(d) **PRIOR AWARD.**—The Medal of Honor may be awarded under this section for service for which a Distinguished Service Cross, or other award, has been awarded.

SEC. 1039. PRESIDENTIAL INAUGURATION ASSISTANCE.

(a) **IN GENERAL.**—Section 2543 of title 10, United States Code, is amended to read as follows:

“§ 2543. Presidential Inaugural Assistance

“(a) **FURNISHING OF MATERIALS, SUPPLIES, AND SERVICES.**—Notwithstanding any other provision of law, the Secretary of Defense may lend materials and supplies, and provide, on a reimbursable or nonreimbursable basis, materials, supplies, and services of personnel—

“(1) to the Inaugural Committee established under the first section of the Presidential Inaugural Ceremonies Act (36 U.S.C. 721); and

“(2) to the joint committee of the Senate and House of Representatives described in section 9 of that Act (36 U.S.C. 729).

“(b) **TERMS OF ASSISTANCE.**—Assistance under subsection (a) shall be loaned or provided in such manner as the Secretary of Defense determines to be appropriate and under such conditions as the Secretary may prescribe.”.

(b) **CLERICAL AMENDMENT.**—The table of sections at the beginning of subchapter II, chapter 152 of such title is amended to read as follows:

“2543. Presidential Inauguration Assistance.”.

TITLE XXI—ARMY**SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.**

(a) **INSIDE THE UNITED STATES.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or Location	Total
California	Camp Roberts	\$5,500,000
	Naval Weapons Station, Concord.	\$27,000,000
Colorado	Fort Carson	\$13,000,000
District of Columbia	Fort McNair	\$6,900,000
Georgia	Fort Benning	\$53,400,000
	Fort Stewart/Hunter Army Air Field.	\$6,000,000
Kansas	Fort Riley	\$26,000,000
Kentucky	Fort Campbell	\$51,100,000
Texas	Fort Hood	\$40,900,000
Washington	Fort Lewis	\$54,600,000
CONUS Classified	Classified Location	\$4,600,000
	Grand total	\$289,000,000

(b) **OUTSIDE THE UNITED STATES.**—Using amount appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Total
Italy	Camp Ederle, Vincenza	\$3,100,000
Korea	Camp Casey	\$16,000,000

Army: Outside the United States—Continued

Country	Installation or location	Total
Overseas Classified	Camp Red Cloud	\$14,000,000
	Overseas Classified	\$64,000,000
	Grand total	\$97,100,000

SEC. 2102. FAMILY HOUSING.

(a) **CONSTRUCTION AND ACQUISITION.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation or location	Purpose	Total
Hawaii	Schofield Barracks.	54 Units	\$10,000,000
North Carolina	Fort Bragg	88 Units	\$9,800,000
Texas	Fort Hood	140 Units	\$18,500,000
		Grand total ...	\$38,300,000

(b) **PLANNING AND DESIGN.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed \$2,963,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed \$33,750,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) **IN GENERAL.**—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of \$1,722,202,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), \$289,000,000.

(2) For the military construction products outside the United States authorized by section 2101(b), \$97,100,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, \$5,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$43,623,000, which includes \$20,000,000 for Host Nation support.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, \$75,013,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), \$1,212,466,000.

(b) **LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.**—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out

under section 2101 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) **INSIDE THE UNITED STATES.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or Location	Total
Arizona	Navy Detachment, Camp Navajo.	\$3,920,000
California	Marine Corps Air Station, Camp Pendleton.	\$6,240,000
	Marine Corps Air-Ground Combat Center, Twentynine Palms.	\$4,020,000
	Marine Corps Base, Camp Pendleton.	\$51,630,000
	Naval Air Station, North Island.	\$86,502,000
	Naval Facility, San Clemente Island.	\$17,000,000
	Naval Station, San Diego	\$7,050,000
	Naval Command Control & Ocean Surveillance Center, San Diego.	\$1,960,000
Connecticut	Naval Submarine Base, New London.	\$13,830,000
District of Columbia	Naval District, Washington ...	\$19,300,000
Florida	Naval Air Station, Key West	\$2,250,000
Hawaii	Naval Station, Pearl Harbor	\$19,600,000
	Naval Submarine Base, Pearl Harbor.	\$35,890,000
Idaho	Naval Surface Warfare Center, Bayview.	\$7,150,000
Illinois	Naval Training Center, Great Lakes.	\$22,900,000
Maryland	Naval Air Warfare Center, Patuxent River.	\$1,270,000
North Carolina	Marine Corps Air Station, Cherry Point.	\$1,630,000
	Marine Corps Air Station, New River.	\$17,040,000
	Marine Corps Base, Camp LeJeune.	\$20,750,000
Texas	Naval Station, Ingleside	\$16,850,000
	Naval Air Station, Kingsville	\$1,810,000
Virginia	Armed Forces Staff College, Norfolk.	\$12,900,000

Navy: Inside the United States—Continued

State	Installation or Location	Total
Washington CONUS Various	Marine Corps Combat Dev Com, Quantico.	\$14,570,000
	Naval Station, Norfolk	\$35,520,000
	Naval Station, Everett	\$25,740,000
	Defense Access Roads	\$300,000
	Grand Total	\$447,662,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or Location	Total
Bahrain	Administrative Support Unit, Bahrain.	\$5,980,000
Greece	Naval Support Activity, Souda Bay.	\$7,050,000
Italy	Naval Air Station, Sigonella	\$15,700,000
	Naval Support Activity, Naples.	\$8,620,000
United Kingdom	Joint Maritime Communica- tions Center, St. Mawgan.	\$4,700,000
	Grand Total	\$42,050,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts, set forth in the following table:

Navy: Family Housing

State	Installation or Lo- cation	Purpose	Total
Arizona	Marine Corps Air Station, Yuma.	Support	\$709,000
California	Marine Corps Base, Camp Pendleton.	128 Units	\$19,483,000
	Naval Air Station, Lemoore.	276 Units	\$39,837,000
	Navy Public Works Center, San Diego.	366 Units	\$48,719,000

Navy: Family Housing—Continued

State	Installation or Location	Purpose	Total
Hawaii	Marine Corps Air-Ground Combat Center, Twentynine Palms.	Support	\$2,938,000
	Marine Corps Air Station, Kaneohe Bay.	54 Units	\$11,676,000
	Navy Public Works Center, Pearl Harbor.	264 Units	\$52,586,000
Maryland	Naval Air Warfare Center, Patuxent River.	Support	\$1,233,000
North Carolina	Marine Corps Base, Camp LeJeune.	Support	\$845,000
Virginia	AEGIS Combat Systems Center, Wallops Island.	20 Units	\$2,975,000
	Naval Security Group Activity, Northwest.	Support	\$741,000
Washington	Naval Station, Everett.	100 Units	\$15,015,000
	Naval Submarine Base, Bangor.	Support	\$934,000
Grand Total			\$197,691,000

(b) **PLANNING AND DESIGN.**—Using amounts appropriated pursuant to the authorization of appropriation in section 2204(a)(6)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed \$22,552,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed \$183,483,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) **IN GENERAL.**—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of \$1,943,313,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), \$447,622,000.

(2) For military construction projects outside the United States authorized by section 2201(b), \$42,050,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, \$5,115,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$42,559,000.

(5) For military construction projects which can be financed using unobligated prior-year appropriations, Authorization of Appropriations is reduced by \$12,000,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design and improvement of military family housing and facilities, \$403,726,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), \$1,014,241,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or Location	Total
Alabama	Maxwell Air Force Base	\$7,875,000
Alaska	Elmendorf Air Force Base	\$21,530,000
Arizona	Davis-Monthan Air Force Base.	\$9,920,000
Arkansas	Little Rock Air Force Base ...	\$18,105,000
California	Beale Air Force Base	\$14,425,000
	Edwards Air Force Base	\$20,080,000
	McClellan Air Force Base	\$8,795,000
	Travis Air Force Base	\$7,980,000
	Vandenberg Air Force Base	\$3,290,000
Colorado	Buckley Air National Guard Base.	\$17,960,000
	Falcon Air Force Base	\$2,095,000
	Peterson Air Force Base	\$20,720,000
	US Air Force Academy	\$10,065,000
Delaware	Dover Air Force Base	\$7,980,000
Florida	Elgin Air Force Base	\$4,590,000
	Eglin Auxiliary Field 9	\$6,825,000
	Patrick Air Force Base	\$2,595,000
Georgia	Robins Air Force Base	\$18,645,000
Idaho	Mountain Home Air Force Base.	\$6,545,000
Kansas	McConnell Air Force Base	\$8,480,000
Louisiana	Barksdale Air Force Base	\$4,890,000
Maryland	Andrews Air Force Base	\$5,990,000
Mississippi	Keesler Air Force Base	\$14,465,000
Nevada	Indian Springs Air Force Auxiliary Air Field.	\$4,690,000
New Jersey	McGuire Air Force Base	\$8,080,000
North Carolina	Pope Air Force Base	\$5,915,000

Air Force: Inside the United States—Continued

State	Installation or Location	Total
	Seymour Johnson Air Force Base.	\$11,280,000
North Dakota	Grand Forks Air Force Base	\$12,470,000
	Minot Air Force Base	\$3,940,000
Ohio	Wright-Patterson Air Force Base.	\$7,400,000
Oklahoma	Tinker Air Force Base	\$9,880,000
South Carolina	Charleston Air Force Base	\$37,410,000
	Shaw Air Force Base	\$5,665,000
Tennessee	Arnold Engineering Development Center.	\$6,781,000
Texas	Dyess Air Force Base	\$5,895,000
	Kelly Air Force Base	\$3,250,000
	Lackland Air Force Base	\$9,413,000
	Sheppard Air Force Base	\$9,400,000
Utah	Hill Air Force Base	\$3,690,000
Virginia	Langley Air Force Base	\$8,005,000
Washington	Fairchild Air Force Base	\$18,155,000
	McChord Air Force Base	\$57,065,000
	Grand Total	\$472,229,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or Location	Total
Germany	Ramstein Air Force Base	\$5,370,000
	Spangdahlem Air Base	\$1,890,000
Italy	Aviano Air Base	\$10,060,000
Korea	Osan Air Base	\$9,780,000
Turkey	Incirlik Air Base	\$7,160,000
United Kingdom	Royal Air Force, Croughton	\$1,740,000
	Royal Air Force, Lakenheath	\$17,525,000
	Royal Air Force, Mildenhall	\$6,195,000
Overseas Classified	Overseas Classified	\$18,395,000
	Grand Total	\$78,115,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State	Installation or Location	Purpose	Total
Alaska	Eielson Air Force Base.	72 Units	\$21,127,000
California	Beale Air Force Base.	Support	\$2,950,000
		56 Units	\$8,893,000
	Travis Air Force Base.	70 Units	\$8,631,000
District of Columbia.	Vandenberg Air Force Base.	112 Units	\$20,891,000
	Bolling Air Force Base.	40 Units	\$5,000,000
Florida	Eglin Auxiliary Field 9.	1 Units	\$249,000
	MacDill Air Force Base.	56 Units	\$8,822,000
	Patrick Air Force Base.	Support	\$2,430,000
Louisiana	Barksdale Air Force Base.	80 Units	\$9,570,000
Missouri	Whiteman Air Force Base.	68 Units	\$9,600,000
New Mexico	Kirtland Air Force Base.	50 Units	\$5,450,000
North Dakota	Grand Forks Air Force Base.	66 Units	\$7,784,000
	Minot Air Force Base.	46 Units	\$8,740,000
Texas	Lackland Air Force Base.	50 Units	\$6,500,000
Washington	McChord Air Force Base.	Support	\$800,000
		40 Units	\$5,659,000
Grand Total			\$133,096,000

(b) **PLANNING AND DESIGN.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed \$9,590,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed \$88,550,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) **IN GENERAL.**—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of \$1,663,769,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), \$472,229,000.

(2) For military construction projects outside the United States authorized by section 2301(b), \$78,115,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, \$9,328,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$43,387,000.

(5) For military housing functions:

(A) For construction and acquisition, planning and design and improvement of military family housing and facilities, \$231,236,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), \$829,474,000.

(b) **LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.**—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) **INSIDE THE UNITED STATES.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2406(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Total
Chemical Demilitarization.	Pueblo Army Depot, Colorado	\$179,000,000
Defense Finance & Accounting Service.	Charleston, South Carolina ...	\$6,200,000
	Gentile Air Force Station, Ohio.	\$11,400,000
	Griffis Air Force Base, New York.	\$10,200,000
	Loring Air Force Base, Maine	\$6,900,000
	Naval Training Center, Orlando, Florida.	\$2,600,000
	Norton Air Force Base, California.	\$13,800,000
	Offutt Air Force Base, Nebraska.	\$7,000,000
	Rock Island Arsenal, Illinois	\$14,400,000
Defense Intelligence Agency.	Bolling Air Force Base, District of Columbia.	\$6,790,000
Defense Logistics Agency.	Altus Air Force Base, Oklahoma.	\$3,200,000

Defense Agencies: Inside the United States—Continued

Agency	Installation or location	Total
Defense Medical Facilities Office.	Andrews Air Force Base, Maryland.	\$12,100,000
	Barksdale Air Force Base, Louisiana.	\$4,300,000
	Defense Construction Supply Center, Columbus, Ohio.	\$600,000
	Defense Distribution San Diego, California.	\$15,700,000
	Elmendorf Air Force Base, Alaska.	\$18,000,000
	McConnell Air Force Base, Kansas.	\$2,200,000
	Naval Air Facility, El Centro, California.	\$5,700,000
	Naval Air Station, Fallon, Nevada.	\$2,100,000
	Naval Air Station, Oceana, Virginia.	\$1,500,000
	Shaw Air Force Base, South Carolina.	\$2,900,000
	Travis Air Force Base, California.	\$15,200,000
	Andrews Air Force Base Maryland.	\$15,500,000
	Charleston Air Force Base, South Carolina.	\$1,300,000
	Fort Bliss, Texas	\$6,600,000
	Fort Bragg, North Carolina	\$11,400,000
	Fort Hood, Texas	\$1,950,000
	Marine Corps Base, Camp Pendleton, California.	\$3,300,000
	Maxwell Air Force Base, Alabama.	\$25,000,000
	Naval Air Station, Key West, Florida.	\$15,200,000
	Naval Air Station, Norfolk, Virginia.	\$1,250,000
	Naval Air Station, Lemoore, California.	\$38,000,000
National Security Agency. Special Operations Command.	Fort George Meade, Maryland.	\$25,200,000
	Fort Bragg, North Carolina	\$14,000,000
	Fort Campbell, Kentucky	\$4,200,000
	Naval Amphibious Base, Coronado, California.	\$7,700,000
	Naval Station, Ford Island, Pearl Harbor, Hawaii.	\$12,800,000
	Grand Total	\$525,190,000

(b) **OUTSIDE THE UNITED STATES.**—Using amounts appropriated pursuant to the authorization of appropriations in section 2406(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or Location	Total
Defense Logistics Agency.	Moron Air Base, Spain	\$12,958,000
	Naval Air Station, Sigonella, Italy.	\$6,100,000
Defense Medical Facilities Office.	Administrative Support Unit, Bahrain, Bahrain.	\$4,600,000
Grand Total		\$23,658,000

SEC. 2402. MILITARY HOUSING PLANNING AND DESIGN.

Using amounts appropriated pursuant to the authorization of appropriation in section 2406(a)(14)(A), the Secretary of Defense may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed \$500,000.

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriation in section 2406(a)(14)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed \$3,871,000.

SEC. 2404. MILITARY HOUSING IMPROVEMENT PROGRAM.

(a) **AVAILABILITY OF FUNDS FOR INVESTMENT.**—Of the amount authorized to be appropriated pursuant to section 2406(a)(14)(C), \$20,000,000 shall be available for crediting to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code.

(b) **USE OF FUNDS.**—The Secretary of Defense may use funds credited to the Department of Defense Family Housing Improvement Fund under subsection (a) to carry out any activities authorized by subchapter IV of chapter 169 of such title with respect to military family housing.

SEC. 2405. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2406(a)(12), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code.

SEC. 2406. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) **IN GENERAL.**—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of \$3,411,936,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), \$362,087,000.

(2) For military construction projects outside the United States authorized by section 2401(a), \$23,658,000.

(3) For military construction projects at Naval Hospital, Portsmouth, Virginia, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101-189, 103 Stat. 1640), \$24,000,000.

(4) For military construction projects at Walter Reed Army Institute of Research, Maryland, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102-484; 106 Stat. 2599), \$92,000,000.

(5) For military construction projects at Fort Bragg, North Carolina, hospital replacement, authorized by section 2401(a) of the Military Construction Author-

ization Act for Fiscal Year 1993 (division B of Public Law 102-484; 106 Stat. 2599), \$89,000,000.

(6) For military construction projects at Pine Bluff Arsenal, Arkansas, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103-337; 108 Stat. 3040), \$46,000,000.

(7) For military construction projects at Umatilla Army Depot, Oregon, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103-337; 108 Stat. 3040), \$64,000,000.

(8) For military construction projects at Defense Finance and Accounting Service, Columbus, Ohio, authorized by section 2401(a) of the Military Construction Authorization Act of Fiscal Year 1996 (division B of Public Law 104-106; Stat???), \$20,822,000.

(9) For unspecified minor construction projects under section 2805 of title 10, United States Code, \$21,874,000.

(10) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, \$9,500,000.

(11) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$12,239,000.

(12) For Energy Conservation projects authorized by section 2405, \$47,765,000.

(13) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note), \$2,507,476,000.

(14) For military family housing functions:

(A) For improvement and planning of military family housing and facilities, \$4,371,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), \$30,963,000, of which not more than \$25,637,000 may be obligated or expended for the leasing of military family housing units worldwide.

(C) For the Family Housing Improvement Fund as authorized by section 2404(a), \$20,000,000.

(D) For the Homeowners Assistance Program as authorized by section 2832 of title 10, United States Code, \$36,181,000, to remain available until expended.

(b) **LIMITATION OF TOTAL COST OF CONSTRUCTION PROJECTS.**—Notwithstanding the cost variation authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) \$161,503,000 (the balance of the amount authorized under section 2401(a) for the construction of a chemical demilitarization facility at Pueblo Army Depot in Colorado); and

(3) \$1,600,000 (the balance of the amount authorized under section 2401(a) for the construction of a Medical/Dental clinic replacement, Key West Naval Air Station, Florida).

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment Program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Security Investment Program as authorized by section 2501, in the amount of \$197,000,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 1996, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 133 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

- (1) For the Department of the Army—
 - (A) for the Army National Guard of the United States, \$7,600,000; and
 - (B) for the Army Reserve, \$48,459,000.
- (2) For the Department of the Navy, for the Naval and Marine Corps Reserve, \$10,983,000.
- (3) For the Department of the Air Force—
 - (A) for the Air National Guard of the United States, \$75,394,000; and
 - (B) for the Air Force Reserve, \$51,655,000.

SEC. 2602. AUTHORIZATION OF CONSTRUCTION PROJECTS TO BE FUNDED WITH PREVIOUS-YEAR APPROPRIATIONS.

The following projects and architectural and engineering services and construction design are authorized using prior year appropriations:

- (1) Army National Guard:
 - (A) Hastings Training Range, Nebraska, Modified Record Fire and Multipurpose Machine Gun Range, \$1,250,000.
 - (B) Bismarck, North Dakota, Aviation Support Facility and Armory Complex Expansion, \$3,650,000.
 - (C) Of the total amount required for architectural and engineering services and construction design, \$1,800,000 is authorized using prior appropriations.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Infrastructure program (and authorizations of appropriations therefor) shall expire on the later of—

- (1) October 1, 1999; or
- (2) the date for the enactment of an Act authorizing funds for military construction for fiscal year 2000.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Infrastructure program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

- (1) October 1, 1999; or
- (2) the date of the enactment of an Act authorizing funds for fiscal year 2000 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment Program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1994 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160, 107 Stat. 1880), authorizations for the projects set forth in the tables in subsection (b), as provided in title XXI, XXII, and XXIII of that Act, shall remain in effect until October 1, 1997, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1998, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1994 Project Authorizations

State	Installation or Location	Project	Amount
New Jersey	Picatinny Arsenal	Advance War-head Development Facility.	\$4,400,000
North Carolina	Fort Bragg	Land Acquisition.	\$15,000,000
Wisconsin	Fort McCoy	Family Housing Construction (16 Units).	\$2,950,000

Navy: Extension of 1994 Project Authorizations

State	Installation or Location	Project	Amount
California	Camp Pendleton Marine Corps Base.	Sewage Facility.	\$7,930,000
Connecticut	New London Naval Submarine Base.	Hazardous Waste Transfer Facility.	\$1,450,000
New Jersey	Earle Naval Weapons Station.	Explosives Holding Yard.	\$1,290,000
Virginia	Oceana Naval Air Station.	Jet Engine Test Cell Replacement.	\$5,300,000
Various	Various Locations	Land Acquisition Inside The U.S.	\$540,000
Various	Various Locations	Land Acquisition Outside The U.S.	\$800,000

Air Force: Extension of 1994 Project Authorizations

State/Country	Installation or Location	Project	Amount
Alaska	Eielson Air Force Base.	Upgrade Water Treatment Plant.	\$3,750,000

Air Force: Extension of 1994 Project Authorizations— Continued

State/Country	Installation or Location	Project	Amount
	Elmendorf Air Force Base.	Corrosion Control Facility.	\$5,975,000
California	Beale Air Force Base.	Educational Center.	\$3,150,000
Florida	Tyndall Air Force Base.	Base Supply Logistics Center.	\$2,600,000
Mississippi	Keesler Air Force Base.	Upgrade Student Dormitory.	\$4,500,000
North Carolina	Pope Air Force Base.	Add To And Alter Dormitories.	\$4,300,000
Virginia	Langley Air Force Base.	Fire Station	\$3,850,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1993 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102-484, 106 Stat. 2602), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101, 2301, or 2601 of that Act or in section 2201 of that Act and extended by the Military Construction Authorization Act for Fiscal Year 1996, shall remain in effect until October 1, 1997, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1998, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1993 Project Authorizations

State/Country	Installation or Location	Project	Amount
Arkansas	Pine Bluff Arsenal	Ammunition Support Facility.	\$15,000,000

Air Force: Extension of 1993 Project Authorizations

State/Country	Installation or Location	Project	Amount
Portugal	Lajes Field	Water Wells	\$865,000

SEC. 2704. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1992 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102-190 105 Stat. 1535), authorizations for the projects set forth in the tables in subsection (b), as provided in title XXI of that Act and extended by the Military Construction Authorization Act for Fiscal Year 1995 and the Military Construction Authorization Act for Fiscal Year 1996, shall remain in effect until October 1, 1997, or the date of the

enactment of an Act authorizing funds for military construction for fiscal year 1998, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1992 Project Authorizations

State/Country	Installation or Location	Project	Amount
Oregon	Umatilla Army Depot.	Ammunition Demilitarization Support Facility.	\$3,600,000
	Umatilla Army Depot.	Ammunition Demilitarization Utilities.	\$7,500,000

SEC. 2705. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

- (1) October 1, 1996; or
- (2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. INFLATIONARY ADJUSTMENTS TO MINOR CONSTRUCTION AUTHORITY.

(a) ACTIVE COMPONENT UNSPECIFIED MINOR CONSTRUCTION USING OPERATION AND MAINTENANCE FUNDS.—Section 2805(c)(1) of title 10, United States Code, is amended by striking out “\$300,000” and inserting in lieu thereof “\$350,000”.

(b) RESERVE COMPONENT UNSPECIFIED MINOR CONSTRUCTION.—Section 18233a(a)(1) of title 10, United States Code, is amended by striking out “\$400,000” and inserting in lieu thereof “\$1,500,000”.

(c) RESERVE COMPONENT UNSPECIFIED MINOR CONSTRUCTION USING OPERATION AND MAINTENANCE FUNDS.—Section 18233a(b) of title 10, United States Code, is amended by striking out “\$300,000” and inserting in lieu thereof “\$350,000”.

SEC. 2802. IMPROVEMENTS TO FAMILY HOUSING UNITS.

(a) AUTHORITY.—Section 2825(a)(2) of title 10, United States Code, is amended—

- (1) by inserting “major” before “maintenance”; and
- (2) by inserting “(excluding day-to-day maintenance and repair)” before “to be accomplished”.

(b) LIMITATION.—Section 2825(b)(2) of title 10, United States Code, is amended—

- (1) by striking out “repairs” and inserting in lieu thereof “major maintenance or repair work (excluding day-to-day maintenance and repair)”;
- (2) by inserting “, out of the five-foot line of a housing unit,” before “in connection with (A)”; and
- (3) by inserting “, drives,” after “roads”.

Subtitle B—Base Closure and Realignment and Environment

SEC. 2805. CONTRACTING FOR CERTAIN SERVICES AT FACILITIES REMAINING ON CLOSED INSTALLATIONS.

(a) AUTHORITY UNDER 1988 ACT.—Section 204(b)(8)(A) of the Defense Authorization Amendments and Base Closure and Realignment Act (Title II of Public Law 100-526; 10 U.S.C. 2687 note), is amended by inserting “or at facilities remaining on installations closed under this title” after “under this title”.

(b) **AUTHORITY UNDER 1990 ACT.**—Section 2905(b)(8)(A) of the Defense Base Closure and Realignment Act of 1990 (part A of Title XXIX of Public Law 101-510; 10 U.S.C. 2687 note), is amended by inserting “or at facilities remaining on installations closed under this part” after “under this part”.

SEC. 2806. PAYMENT OF STIPULATED PENALTIES ASSESSED UNDER CERCLA.

The Secretary of Defense may pay from funds appropriated to the Department of Defense Base Closure Account (Part II), not more than \$50,000 as payment of stipulated civil penalties assessed under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) against Loring Air Force Base, Maine.

Subtitle C—Land Conveyance

SEC. 2807. TRANSFER OF UTILITY SYSTEMS AT BLUEGRASS ARMY DEPOT, KENTUCKY.

(a) **AUTHORITY TO CONVEY.**—The Secretary of the Army may convey to the City of Richmond, Kentucky (hereinafter the “City”), or to Madison County (hereinafter the “County”), all right, title, and interest of the United States in and to a parcel of real property located at Blue Grass Army Depot, Kentucky, consisting of approximately ____ acres, and all improvements located thereon. The parcel is improved with a sewage treatment plant, sludge disposal facilities, and a sewage collection system.

(b) **RELATED EASEMENTS.**—The Secretary may also grant to the City or the County any easement that is necessary for access to the real property conveyed under subsection a. for operation and maintenance of the facilities located thereon.

(c) **REQUIREMENT RELATING TO CONVEYANCE.**—The Secretary may not exercise the authority granted by subsection a. unless and until the City or the County agrees to accept all improvements in their existing conditions at the time of conveyance.

(d) **CONDITION OF CONVEYANCE.**—The conveyance authorized by subsection a. is subject to the following conditions:

(1) That the City or the County provide water service to Blue Grass Army Depot, Kentucky at a rate mutually agreed upon by the Secretary and the City or the County and approved by the appropriate Federal or State regulatory authority.

(2) That the City or the County comply with all applicable environmental laws and regulations (including any permit or license requirements) in the operation and maintenance of the improvements.

(3) That the City or the County assume full responsibility for operation, maintenance, and repair of the improvements and for compliance with all applicable regulatory requirements.

(4) That the City or the County not commence any expansion of the improvements without the prior approval of the Secretary.

(e) **DESCRIPTION OF PROPERTY.**—The exact legal description of the real property to be conveyed under subsection a., including the improvements located thereon, and of any easements granted under subsection b., shall be determined by a survey and other means satisfactory to the Secretary. The cost of such survey and other services performed at the direction of the Secretary under the authority of this subsection, shall be borne by the City or the County.

(f) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection a. and the grant of any easement under subsection b. as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2808. TRANSFER OF UTILITY SYSTEMS AT CAMP PARKS, CALIFORNIA.

(a) **AUTHORITY TO CONVEY.**—The Secretary of the Army may convey to the Dublin San Ramon Services District, California (hereinafter the “District”), all right, title, and interest of the United States in and to a parcel of real property located at Camp Parks, California consisting of approximately ____ acres, and all improvements located thereon. The parcel is improved with a water treatment plant and a water distribution system with storage tanks.

(b) **RELATED EASEMENTS.**—The Secretary may also grant to the District any easement that is necessary for access to the real property conveyed under subsection a. for operation and maintenance of the facilities located thereon.

(c) **REQUIREMENT RELATING TO CONVEYANCE.**—The Secretary may not exercise the authority granted by subsection a. unless and until the District agrees to accept all improvements in their existing conditions at the time of conveyance.

(d) **CONDITION OF CONVEYANCE.**—The conveyance authorized by subsection a. is subject to the following conditions:

(1) That the District provide water service to Camp Parks, California at a rate mutually agreed upon by the Secretary and the District and approved by the appropriate Federal or State regulatory authority.

(2) That the District comply with all applicable environmental laws and regulations (including any permit or license requirements) in the operation and maintenance of the improvements.

(3) That the District assume full responsibility for operation, maintenance, and repair of the improvements and for compliance with all applicable regulatory requirements.

(4) That the District not commence any expansion of the improvements without the prior approval of the Secretary.

(e) DESCRIPTION OF PROPERTY.—The exact legal description of the real property to be conveyed under subsection a., including the improvements located thereon, and of any easements granted under subsection b., shall be determined by a survey and other means satisfactory to the Secretary. The cost of such survey and other services performed at the direction of the Secretary under the authority of this subsection, shall be borne by the District.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection a. and the grant of any easement under subsection b. as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2809. TRANSFER OF UTILITY SYSTEMS AT FORT LEAVENWORTH, KANSAS.

(a) AUTHORITY TO CONVEY.—The Secretary of the Army may convey to the City of Leavenworth, Kansas (hereinafter the "City"), all right, title, and interest of the United States in and to a parcel of real property located at Fort Leavenworth, Kansas, consisting of approximately _____ acres, and all improvements located thereon. The parcel is improved with a water treatment plant and a water distribution system with storage tanks.

(b) RELATED EASEMENTS.—The Secretary may also grant to the City any easement that is necessary for access to the real property conveyed under subsection a. for operation and maintenance of the facilities located thereon.

(c) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary may not exercise the authority granted by subsection a. unless and until the City agrees to accept all improvements in their existing conditions at the time of conveyance.

(d) CONDITION OF CONVEYANCE.—The conveyance authorized by subsection a. is subject to the following conditions:

(1) That the City provide water service to Fort Leavenworth, Kansas at a rate mutually agreed upon by the Secretary and the City and approved by the appropriate Federal or State regulatory authority.

(2) That the City comply with all applicable environmental laws and regulations (including any permit or license requirements) in the operation and maintenance of the improvements.

(3) That the City assume full responsibility for operation, maintenance, and repair of the improvements and for compliance with all applicable regulatory requirements.

(4) That the City not commence any expansion of the improvements without the prior approval of the Secretary.

(e) DESCRIPTION OF PROPERTY.—The exact legal description of the real property to be conveyed under subsection a., including the improvements located thereon, and of any easements granted under subsection b., shall be determined by a survey and other means satisfactory to the Secretary. The cost of such survey and other services performed at the direction of the Secretary under the authority of this subsection shall be borne by the City.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection a. and the grant of any easement under subsection b. as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2810. TRANSFER OF UTILITY SYSTEMS AT FORT LEWIS, WASHINGTON.

(a) AUTHORITY TO CONVEY.—The Secretary of the Army may convey to Pierce County, Washington (hereinafter the "County"), all right, title, and interest of the United States in and to a parcel of real property located at Fort Lewis, Washington, consisting of approximately _____ acres, and all improvements located thereon. The parcel is improved with a sewage treatment plant, sludge disposal facilities, and a sewage collection system.

(b) RELATED EASEMENTS.—The Secretary may also grant to the County any easement that is necessary for access to the real property conveyed under subsection a. for operation and maintenance of the facilities located thereon.

(c) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary may not exercise the authority granted by subsection a. unless and until the County agrees to accept all improvements in their existing conditions at the time of conveyance.

(d) CONDITION OF CONVEYANCE.—The conveyance authorized by subsection a. is subject to the following conditions:

(1) That the County provide water service to Fort Lewis, Washington at a rate mutually agreed upon by the Secretary and the County and approved by the appropriate Federal or State regulatory authority.

(2) That the County comply with all applicable environmental laws and regulations (including any permit or license requirements) in the operation and maintenance of the improvements.

(3) That the County assume full responsibility for operation, maintenance, and repair of the improvements and for compliance with all applicable regulatory requirements.

(4) That the County not commence any expansion of the improvements without the prior approval of the Secretary.

(e) DESCRIPTION OF PROPERTY.—The exact legal description of the real property to be conveyed under subsection a., including the improvements located thereon, and of any easements granted under subsection b., shall be determined by a survey and other means satisfactory to the Secretary. The cost of such survey and other services performed at the direction of the Secretary under the authority of this subsection shall be borne by the County.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection a. and the grant of any easement under subsection b. as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2811. TRANSFER OF UTILITY SYSTEMS AT FORT MEADE, MARYLAND.

(a) AUTHORITY TO CONVEY.—The Secretary of the Army may convey to the City of Odenton, Maryland (hereinafter the "City"), all right, title, and interest of the United States in and to a parcel of real property located at Fort Meade, Maryland, consisting of approximately _____ acres, and all improvements located thereon. The parcel is improved with a water treatment plant, a water distribution system with storage tanks, a wastewater treatment plant, and a wastewater collection system.

(b) RELATED EASEMENTS.—The Secretary may also grant to the City any easement that is necessary for access to the real property conveyed under subsection a. for operation and maintenance of the facilities located thereon.

(c) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary may not exercise the authority granted by subsection a. unless and until the City agrees to accept all improvements in their existing conditions at the time of conveyance.

(d) CONDITION OF CONVEYANCE.—The conveyance authorized by subsection a. is subject to the following conditions:

(1) That the City provide water service to Fort Meade, Maryland at a rate mutually agreed upon by the Secretary and the City and approved by the appropriate Federal or State regulatory authority.

(2) That the City comply with all applicable environmental laws and regulations (including any permit or license requirements) in the operation and maintenance of the improvements.

(3) That the City assume full responsibility for operation, maintenance, and repair of the improvements and for compliance with all applicable regulatory requirements.

(4) That the City not commence any expansion of the improvements without the prior approval of the Secretary.

(e) DESCRIPTION OF PROPERTY.—The exact legal description of the real property to be conveyed under subsection a., including the improvements located thereon, and of any easements granted under subsection b., shall be determined by a survey and other means satisfactory to the Secretary. The cost of such survey and other services performed at the direction of the Secretary under the authority of this subsection shall be borne by the City.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection a. and the grant of any easement under subsection b. as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2812. TRANSFER OF UTILITY SYSTEMS AT FORT MONMOUTH, NEW JERSEY.

(a) AUTHORITY TO CONVEY.—The Secretary of the Army may convey to Monmouth County, New Jersey (hereinafter the "County"), all right, title, and interest of the United States in and to a parcel of real property located at Fort Monmouth, New Jersey, consisting of approximately _____ acres, and all improvements located

thereon. The parcel is improved with a water treatment plant, a water distribution system with storage tanks, a sewage treatment plant, and a sewage collection system.

(b) RELATED EASEMENTS.—The Secretary may also grant to the County any easement that is necessary for access to the real property conveyed under subsection a. for operation and maintenance of the facilities located thereon.

(c) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary may not exercise the authority granted by subsection a. unless and until the County agrees to accept all improvements in their existing conditions at the time of conveyance.

(d) CONDITION OF CONVEYANCE.—The conveyance authorized by subsection a. is subject to the following conditions:

(1) That the County provide water service to Fort Monmouth, New Jersey at a rate mutually agreed upon by the Secretary and the County and approved by the appropriate Federal or State regulatory authority.

(2) That the County comply with all applicable environmental laws and regulations (including any permit or license requirements) in the operation and maintenance of the improvements.

(3) That the County assume full responsibility for operation, maintenance, and repair of the improvements and for compliance with all applicable regulatory requirements.

(4) That the County not commence any expansion of the improvements without the prior approval of the Secretary.

(e) DESCRIPTION OF PROPERTY.—The exact legal description of the real property to be conveyed under subsection a., including the improvements located thereon, and of any easements granted under subsection b., shall be determined by a survey and other means satisfactory to the Secretary. The cost of such survey and other services performed at the direction of the Secretary under the authority of this subsection, shall be borne by the County.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection a. and the grant of any easement under subsection b. as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2813. TRANSFER OF UTILITY SYSTEMS AT HUNTER ARMY AIR FIELD, FORT STEWART, GEORGIA.

(a) AUTHORITY TO CONVEY.—The Secretary of the Army may convey to the City of Hinesville, Georgia (hereinafter the "City"), all right, title, and interest of the United States in and to a parcel of real property located at Hunter Army Air Field, Fort Stewart, Georgia, consisting of approximately _____ acres, and all improvements located thereon. The parcel is improved with a sewage treatment plant, sludge disposal facilities, and a sewage collection system.

(b) RELATED EASEMENTS.—The Secretary may also grant to the City any easement that is necessary for access to the real property conveyed under subsection a. for operation and maintenance of the facilities located thereon.

(c) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary may not exercise the authority granted by subsection a. unless and until the City agrees to accept all improvements in their existing conditions at the time of conveyance.

(d) CONDITION OF CONVEYANCE.—The conveyance authorized by subsection a. is subject to the following conditions:

(1) That the City provide water service to Hunter Army Air Field, Fort Stewart, Georgia at a rate mutually agreed upon by the Secretary and the City and approved by the appropriate Federal or State regulatory authority.

(2) That the City comply with all applicable environmental laws and regulations (including any permit or license requirements) in the operation and maintenance of the improvements.

(3) That the City assume full responsibility for operation, maintenance, and repair of the improvements and for compliance with all applicable regulatory requirements.

(4) That the City not commence any expansion of the improvements without the prior approval of the Secretary.

(e) DESCRIPTION OF PROPERTY.—The exact legal description of the real property to be conveyed under subsection a., including the improvements located thereon, and of any easements granted under subsection b., shall be determined by a survey and other means satisfactory to the Secretary. The cost of such survey and other services performed at the direction of the Secretary under the authority of this subsection shall be borne by the City.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection a.

and the grant of any easement under subsection b. as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2814. EASEMENTS FOR RIGHTS-OF-WAY.

Section 2668(a) of title 10, United States Code is amended—

- (1) by striking out “and” at the end of paragraph (9);
- (2) by redesignating paragraph (10) as paragraph (12);
- (3) by inserting the following two new paragraphs after paragraph (9):
 “(10) poles and lines for the transmission and distribution of electrical power;
 “(11) poles and lines for communication purposes, and for radio, television, and other forms of communication transmitting, relay, and receiving structures and facilities; and”; and
- (4) at the end of paragraph (12), as redesignated by this section, by striking out “or by the Act of March 4, 1911 (43 U.S.C. 961)”.

Subtitle D—Other Matters

SEC. 2815. INSTALLATION AND OWNERSHIP OF ELECTRICAL DISTRIBUTION SYSTEM AT YOUNGSTOWN AIR RESERVE STATION, OHIO.

(a) **FINDING.**—The Congress finds that it would be advantageous to the United States to consider, as a test program, utilizing non-governmental entities to provide certain utility services at Youngstown Air Reserve Station, Ohio.

(b) **AUTHORIZATION.**—The Secretary of the Air Force is authorized to enter into an agreement with a local electric utility or private company to have the utility or company install, operate, and maintain a new electrical distribution system, satisfactory to both the Secretary and the utility or company, at Youngstown Air Reserve Station.

(c) **AGREEMENT.**—The agreement between the Air Force and the utility or company may contain the following terms and conditions:

(1) The Air Force may provide the company with such licenses or easements as the Air Force determines necessary for the installation, operation, and maintenance of the new distribution system.

(2) The resulting electrical distribution system may be the property of the company but any rates for utilities or other services provided by the company to the Government shall not include the cost of installing the new distribution system as authorized by this Act.

(3) Such other terms and conditions as the Secretary considers appropriate to protect the interests of the United States.

(d) **SOURCE OF FUNDS.**—The Secretary may use funds authorized in Title XXIII, Division B, of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) and appropriated in the Military Construction Appropriations Act, 1996 (Public Law 104–32) for the purpose of rebuilding the electrical distribution system at Youngstown Air Reserve Station, to pay the cost of acquiring the services of the company in accordance with this Act.

FISCAL YEAR 1997 NATIONAL DEFENSE AUTHORIZATION ACT—SECRETARY OF DEFENSE AND CHAIRMAN OF THE JOINT CHIEFS OF STAFF

HOUSE OF REPRESENTATIVES,
COMMITTEE ON NATIONAL SECURITY,
Washington, DC, Wednesday, March 6, 1996.

The committee met, pursuant to call, at 9:40 a.m. in room 2118, Rayburn House Office Building, Hon. Floyd Spence (chairman of the committee) presiding.

OPENING STATEMENT OF HON. FLOYD D. SPENCE, A REPRESENTATIVE FROM SOUTH CAROLINA, CHAIRMAN, COMMITTEE ON NATIONAL SECURITY

The CHAIRMAN. The committee will please come to order.

Mr. Secretary, General Shalikashvili, welcome to the committee this morning. It is always an honor to have you before the committee, and we all look forward to your testimony and the dialog to follow.

For the members' information the committee will proceed until 11:45, at which point we will recess until 2 o'clock to accommodate a prior commitment of the Secretary. Then the committee will reconvene at 2 o'clock.

Mr. Secretary, during the past 3 years there has been much debate over and criticism of the administration's long-term defense plan. The Bottom-Up Review was initiated after the Clinton economic plan was firmly in place and was an attempt, in the minds of many, to fit a strategy to economic realities that already included deep reductions in defense spending.

In one form or another, the wide-ranging criticism has focused on the mismatches between resources and strategy. The administration's defense budgets do not support the recommended military force structure; and, even if it did, the force structure is inadequate for the execution of the two MRC strategy. In turn, the critics have been criticized. Yet the record of the debate, as it has evolved, would seem to validate the perspective of the Bottom-Up Review's critics.

On readiness, in the fall of 1994 the Congress shed some much-needed light on the readiness problems afflicting the services at precisely the same time we were being told by senior Department officials that the services were at a higher rate of readiness than on the eve of Desert Storm. Despite the Department's denial that there was a problem, several months later the President announced his decision to add \$25 billion to the defense budget. Internally, the Department and the services also took a number of steps to improve the readiness assessment process.

On modernization, we are all aware of the extent to which the administration has sacrificed recapitalization in an attempt to address more pressing near-term readiness shortfalls. Basically, there is not enough funding in the budget for both timely recapitalization and maintenance of short-term readiness, so modernization has become the bill payer. However, in part as a result of this procurement holiday, CBO has testified to a modernization shortfall of between \$70 and \$300 billion beginning early next century.

In addressing the problem, last year the Congress took a two-pronged approach. First, we passed the most aggressive package of acquisition reform measures in decades; and, second, we were so concerned with the low level of spending in the President's budget that we increased the defense top line. Approximately \$5 billion of the increase went to modernization. Yet we were roundly criticized by the administration.

I find it ironic that the Chairman's program assessment offered by the Joint Chiefs of Staff in calling for significant increases in modernization funding leaked out last fall at about the same time the administration was threatening to veto the defense bill because of increased funding.

Mr. Secretary, you yourself have recently brought some focus to the third piece of the three-piece puzzle, force structure. It has been reported that you believe without the generation of significant internal savings or the infusion of necessary immediate resources that further reductions in force structure could be necessary to maintain readiness and modernization. I take this to mean that without additional resources from somewhere, internal savings, increased funding, or both, the administration's long-term defense plan does not work, at least not to the extent that protecting readiness and modernization could require the reduction of force structure below the already significant reductions implemented on the Bottom-Up Review.

Mr. Secretary, when I step back and look at the readiness, modernization and impending force structure debate, it strikes me that the burden of proof is squarely on the administration's shoulders when it comes to demonstrating that the long-term defense plan is not underfunded, is not broken. The administration has confronted the underlying problem to date by using modernization to pay for shortfalls elsewhere. Now when the time comes to modernize, the underlying problem of inadequate resources remains unaddressed by the administration. So discussion starts about the possibility of using deeper force structure reductions to pay for modernization.

I would hope we could all agree to bring this debilitating shell game to an end. Even with optimistic assumptions about base closings and acquisition reform savings, this budget nonetheless begins down the slippery slope of deeper force structure reduction. Based on preliminary data, this budget assumes both Army and Air Force end strength below Bottom-Up Review levels in the years ahead.

Mr. Secretary, there is little doubt that the force is already stretched in peacetime, so where is the "give" in terms of our global commitments and presence if the force is reduced further? I believe that there is a widespread consensus that the administration's long-term defense plan is underfunded, that the services are facing

significant short-term challenges and even more serious long-term problems.

To paraphrase a refrain the committee has heard numerous times over the past 3 years, the services cannot remain on the razor's edge forever. Problems either get managed and fixed or they grow and the system becomes increasingly dysfunctional.

Yet the fiscal year 1997 budget does not appear to offer solutions. Instead, it seems to rely on 3-year-old assumptions that base closings and acquisition reform savings will somehow magically save the day. In many instances, this budget appears to exacerbate the problem.

The request of \$10 to \$20 billion below current spending levels reflects a real decline of more than 6 percent. Spending in all major titles is declining in real terms from current spending levels. Despite the added attraction that the Joint Chiefs brought to the modernization problem last fall, instead of addressing the recommendation that annual procurement funding should reach \$60 billion by fiscal year 1998, 2 years earlier than the administration plan, this budget further delays achievements on this objective by 1 year, to fiscal year 2001.

Mr. Secretary, I believe that Congress will take a similar two-pronged approach to the problem this year. We will continue to aggressively push to generate internal savings through reform, downsizing and consolidation and privatization. I would hope that the Department will take full advantage of the opportunities we afforded in this area in the fiscal year 1996 bill.

As was the case last year, we will also increase the defense spending top line in the budget resolution. But at the end of the day, Mr. Secretary, Congress cannot help the administration if the administration does not want the help. If we labor through too many more years like last year, with the administration asserting that all is well in defense, the outyear problems that many of us in this room are worried about will simply become self-fulfilling.

Admiral Owens testified last week before the Senate that we have to stop promising ourselves and do something. Although the Admiral was specifically referring to the procurement problem, I believe his statement is appropriate in the broader context of the problems this administration's long-term defense plan poses.

Accordingly, with all that, I look forward to our witnesses' testimony this morning.

Before beginning, I would like to recognize the distinguished gentleman from California, the committee's ranking Democrat, Mr. Dellums, for any comments he would like to make.

STATEMENT OF HON. RONALD V. DELLUMS, A REPRESENTATIVE FROM CALIFORNIA, RANKING MINORITY MEMBER, COMMITTEE ON NATIONAL SECURITY

Mr. DELLUMS. Thank you, Mr. Chairman and members of the committee.

I join with you in welcoming our distinguished witnesses today and look forward to hearing from both Defense Secretary Perry and General Shalikashvili regarding their views on the state of our military and the administration's proposal for fiscal year 1997 defense authorization programs. I welcome the opportunity to com-

mence the formal inquiry into the nature of our national security strategy, the force structure and equipment and operations proposed to meet the strategy and the Department's assessment of the resources required to support those elements of the strategy.

As I have indicated before, Mr. Chairman, the Nation's budget is the best reflection of its priorities across all the competing needs that our citizens face. In the current environment, the ascertainment of appropriate priorities is made more urgent by the movement toward a balanced budget. We have less flexibility across accounts, and all accounts must, in my opinion, share in the burdens of attaining such a goal if indeed the goal is deemed a national requirement. Although setting total budget priorities may be beyond this committee's responsibilities, we can participate in reaching sensible conclusions about the national security threats we face and in making sensible decisions about the best strategies to prevent, deter or meet those threats and the elements necessary to implement those strategies.

It is clearly against this backdrop that Secretary Perry and General Shalikashvili appear, to present their views regarding the defense strategy and fiscal plan and how they fit within the larger budget perspective. They can advise us whether, given this balancing, they believe the department can indeed perform its mission; and, of course, they can respond to the number of questions that we may have regarding these issues.

Mr. Chairman, reasonable people may disagree with their conclusions, and that is the beauty of the democratic process. Democracy implies and values diversity of opinion, the exchange of ideas and the deliberative search for policies that vindicate our national aspirations and provide for our citizens.

So whether, for example, one believes in meeting the threat of the proliferation of missile technology and weapons of mass destruction by aggressively pursuing expensive missile defense technology on the one hand or by an equally aggressive pursuit of non-proliferation strategies in combination with appropriately scaled military strategies to meet a reduced threat, this is an opportunity for an interchange of these varying views to occur. This is where we begin to make policy as a government, executive branch and the legislative branch together.

Mr. Chairman, we are 1 year further into whatever we will eventually call the post-cold war era. What once was unknown is becoming clearer, at least in the near term. Some imagined threats are not emerging. Others are changing before us, and some not fully anticipated are challenging our ingenuity.

As many of us predicted, peacekeeping, humanitarian and other such missions occupy more of our attention, and appropriately so, because they can eliminate instability, end conflict, stop or prevent genocide or avoid engulfing us in full-scale war. We are beginning to grapple more successfully with meeting the requirements generated by the activities we see during this new reality—better planning for funding, more appropriate training, improving multinational command relationships, meeting the family needs of deployed personnel and thinking about logistical requirements, just to name a few.

Further, Mr. Chairman, it strikes me as well that the events of these years suggest that earlier predictions that the Bottom-Up Review planning requirements might need to be modified in accordance with these new modes of activity should have gained now some currency. Operations in Somalia, Haiti, Rwanda and Bosnia-Herzegovina provide valuable data bases for lessons learned—both with regard to the characteristics of the force we need to employ in those types of operations as well as with regard to how those operations might impact on the total force's ability to perform its other missions. They give us further insight into how we might most profitably allocate scarce resources.

These and many other questions await answers. For example:

How do we continue to best contribute to stability and democratization in Europe? What should be the pace and scale of NATO expansion and what continuing role should the United States play in NATO? Events in Bosnia, Russia and throughout Central and Eastern Europe challenge us to confront these issues. How can we make similar contributions in other regions of concern—the Middle East, Africa, the Americas and the Pacific and Asia?

How do we enhance high leverage programs that can prevent conflict, and which accounts should pay for them? How do we most effectively incorporate our national principles in favor of democracy and human rights into our foreign policy, and what role do our Armed Forces appropriately play in achieving those national security goals?

How do the Department and the services best avail themselves of the resources of our Nation and economy, and how might a weaker economy, a poorly trained and educated citizenry, or a declining national infrastructure or technology base adversely affect their ability to do so? How and when is it appropriate for the Department to contribute to these elements of our national security strategy?

These and many other questions I believe are significant and important as we move toward the 21st century and as we invite the testimony of our distinguished witnesses this morning.

I hope that my colleagues will receive today's presentation in its proper context—as presenting a major element of a much larger national security strategy that has to be balanced against multiple national requirements, many of which affect our national security but which are not traditionally considered in the rubric of programs. I am very confident that Secretary Perry and General Shalikashvili are well positioned to contribute constructively to the dialogue that is required for us to reach a national consensus on how best to meet these requirements and to balance these competing priorities. I look forward to hearing what I am certain will be a very professional, informed and insightful view of these issues.

I yield back the balance of my time.

The CHAIRMAN. Thank you very much.

Before we turn the floor over to the Secretary and General Shalikashvili, I also want to welcome Sandy Stewart of DOD, Mr. Bacon and Ms. Maroni, who is a former member of this committee staff. Welcome.

STATEMENTS OF WILLIAM J. PERRY, SECRETARY OF DEFENSE; GEN. JOHN M. SHALIKASHVILI, CHAIRMAN, JOINT CHIEFS OF STAFF; JOHN HAMRE, COMPTROLLER, DEPARTMENT OF DEFENSE; AND ALICE MARONI, PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE (COMPTROLLER)

The CHAIRMAN. Mr. Secretary, you have the floor.

Secretary PERRY. Thank you, Mr. Chairman. I would like to submit my statement for the record and in my oral testimony today will give you highlights from it.

The CHAIRMAN. Without objection.

Secretary PERRY. I am here to present the fiscal year 1997 defense budget. The budget, by definition, is a collection of programs and requested funding.

The important questions are: How did we arrive at these programs, what are our priorities, what hard choices were we confronted with, and how do we make those choices.

These priorities and the hard choices are based on our views of the dangers to the United States in the world today and the defense strategy formulated to deal with these dangers. Therefore, for an effective dialogue with this committee, I am going to start with a description of those dangers and strategy and follow that with a description of the programs that we are proposing along with the management approaches to implement that strategy. I have some charts to assist me here.

Mr. Chairman, as you well know, I have spent almost my entire career as a cold-war warrior where I was focusing on the issues of how to prevent a war. The dangers we face today are very different from that.

I have summarized on this chart proliferation of weapons of mass destruction, instability, particularly in Eastern and Central Europe, which could lead to new threats of nuclear war, and the local and regional conflicts with which we have been confronted. These are the real and present dangers which we face today, and the defense strategy we have formulated to deal with that puts three lines of defense here between those dangers and United States security.

The first line of defense is preventive defense. What can we do to prevent these dangers from becoming military threats to the United States, threats to the United States or our allies, threats of economic strangulation or threats of the use of weapons of mass destruction?

I will talk to you briefly about these preventive programs. Then the bulk of my discussion will be on the programs we have to deter these military threats from becoming military conflict and, if they become military conflict, the capability of our forces to fight and, within that conflict, thereby protecting U.S. security.

I want to emphasize that there are three lines of defense. I will start, first of all, by talking about the first line, preventive defense. This is one we have not discussed much, although we have done many of these things for years.

The first component is reducing the nuclear threat from the former Soviet Union, preventing new nuclear threats from arising in other countries, encouraging defense reform, particularly in the newly independent countries formed from the former Soviet Union

and in Eastern Europe, and building defense-to-defense relationships.

Let me discuss first what we are doing today to reduce the nuclear threat.

There is a program in the Defense Department called the Nunn-Lugar program. We call it cooperative threat reduction. In fiscal year 1997, we are requesting about \$300 million to continue this program. In the last 3 years this program has been responsible for removing thousands of missiles from the former Soviet Union, from Russia, Belarus, Ukraine and Kazakstan and destroying many hundreds of missiles and launchers.

Let me just give you one important example of this. At Pervomaysk in the former Soviet Union, now in Ukraine, I visited there in March, 1994, to witness the removal of the warheads from the SS-19 missile. One year later, in April, 1995, I visited there to witness the removal of the missile itself, the SS-19 missile which was taken out for destruction.

Just 2 months ago, I returned again, along with the Russian and the Ukrainian Defense Minister, to participate in the blowing up of the SS-19 silo there. That silo and the SS-19 missile that was in it was one of 80 at Pervomaysk, which in aggregate contained 700 nuclear warheads.

On my first visit there, all of those warheads, all 700 of them, were aimed at targets in the United States. I will return there in June. By June, all 700 of those missiles will have been removed, warheads will have been removed, and the missile field at Pervomaysk will have been returned to a wheat field.

It is the funding under the Nunn-Lugar program that has made this possible. That is what I am calling preventive defense, what your former chairman, Les Aspin, used to call defense by other means.

We are also concerned about keeping those nuclear weapons from getting out into other countries. This is the proliferation threat.

Again, in the Nunn-Lugar program, a major part of that involves denuclearization of Ukraine, Kazakstan, and Belarus. Kazakstan today is already a nonnuclear state. By the end of the year, Belarus and Ukraine will be. Ukraine, which had the fourth largest nuclear arsenal in the world, will be nonnuclear by the end of this year.

Project Sapphire—we took the highly enriched uranium, several hundred kilograms of highly enriched uranium, which we took out of Kazakstan where we thought it might be in some danger of proliferating and moved it to the United States.

Improved warhead security in Russia.

The North Korea Framework Agreement stopped the North Korean nuclear program dead in its tracks. It has been stopped for the last year and a half, since we made this agreement. These are the sort of things we do to counter the proliferation threat.

The next item, preventive defense, was building partnership relations, defense-to-defense relationships first of all with the nations of Central and Eastern Europe. This chart depicts a very important innovation in which National Guard units from the States in the United States—South Carolina, Tennessee, Alabama, Colorado, Ohio, Pennsylvania—have each formed special defense relation-

ships with a country in Eastern or Central Europe. There are 12 such relationships in Eastern and Central Europe and 9 with nations of the former Soviet Union.

When the Kazakstan Defense Minister visited me last week, after he finished visiting in Washington, he went to Arizona and met with the Arizona National Guard where they are working on programs together.

This defense-to-defense relationship with these nations has been significant and important. Even more significant has been the defense-to-defense relationship we have formed with Russia.

This is a picture of the first joint exercise between United States and Russian troops in the United States held at Fort Riley, KS, last fall. This is Minister Grachev and myself with the Russian and American troops, talking with them at the end of the exercise. Perhaps more significantly, just after that I met with Minister Grachev in Brussels to make the final agreement on the Russian participation in IFOR, which is the NATO peacekeeping force in Bosnia.

This picture shows the time we signed the final agreement hammered out between General Joulwan and General Shetshov. We wanted to bring Russia into that Bosnia operation not because we needed their troops so much in Bosnia but because this was the biggest security problem in Europe at the end of the post-cold-war era and we wanted Russia inside the circle helping us solve the problem instead of outside the circle throwing rocks at us.

As we speak, the Russian brigade is in the Tuzla area working for General Nash and carrying out its peacekeeping operations.

A key part of our military-to-military confidence-building effort is the Partnership for Peace. This picture is the first Partnership For Peace exercise in the United States. Fourteen nations came to Fort Polk, LA, last summer and conducted a peacekeeping exercise. This is a centerpiece of the work we are doing in the Partnership for Peace, which I believe is the most important security development perhaps since the formation of NATO and bringing nations together to create a zone of security and stability, extending it not only from Western Europe but into Central and Eastern Europe as well.

So we have a small but highly leveraged, important part of our program in defense designed to prevent dangers from becoming military threats; but we still have the bulk of our program involved in the deterrence of military threat.

Deterrence worked during the cold war. It works today, but it is a very different program today. Today we have to focus on our conventional military capability plus the credibility that we are willing to use it. We have demonstrated that twice in the last few years, once in Iraq in October 1994 where our timely and rapid deployment of United States forces stopped the Iraqis from moving into Kuwait a second time; and it has worked in Korea, a combination of the major capability we have deployed along with the South Koreans in South Korea plus the Framework Agreement to stop the nuclear weapon program.

So deterrence is a key to our success, but even in the best case, deterrence—we cannot count on deterrence working. We have to be prepared to use military power.

We have used it when our interests are affected in a vital way, as they were in Desert Storm. We have used it in important interests in Haiti and Bosnia. We have even used it, on occasion, for humanitarian purposes.

This is at the Rwandan refugee site where we sent for a few weeks United States engineers in, and in their timely intervention they stopped a cholera epidemic which was killing 5,000 people a day.

So these are the circumstances in which we use military power, and the bulk of our program presented today is to provide deterrence and to provide the ability for war fighting. There are five principal components of it, and I will cover these each in turn, starting off with force structure.

I am not going to dwell on this chart because it is not substantially different from the chart which I showed you last year. It reflects the structure of the forces today to provide for deterrence and the forces that we would use if we had to go to war. The drawdown is essentially over today. That is, the force structure level in 1997 is very, very close to the projected goal we have. It is equal to it in the case of Army divisions and Air Force wings and very, very close to it in the case of Navy ships.

So the good news is that drawdown is over. We have stabilized our forces at the fiscal year 1997 level. Of these forces, 1½ million in the active duty forces, 900,000 reserve and 800,000-plus civilian. But of the active duty forces, 230,000 of them are forward deployed, about 100,000 in Europe, about 100,000 in the western Pacific, 20,000 in southwest Asia and, on the average, about 10,000 in SOUTHCOM.

These 230,000 forward-deployed forces are a critical part of our deterrence. But the balance of the forces, the ones that are not deployed, of course, in the United States, if we have an emergency we will have to project them to that emergency.

This chart simply reminds you of how far away we are from the areas of greatest crisis: 5,000 miles to Korea from Fort Lewis, 8 to 9,000 miles to southwest Asia from Fort Bragg or Fort Hood. So we have a significant problem of power projection, and we have programs designed to maintain our capability and power projection.

This is the C-17, which performed spectacularly well in Bosnia. I would be happy to answer questions and give you detail about that. This was an outstanding performance in Bosnia.

This is a cartoon of the new fast sealift ship, the *Bob Hope*. This illustrates the two different components of lifting power overseas.

This third picture is a picture of the warehouse in Kuwait where we have an armored brigade—equipment for an armored brigade pre-positioned. That was a key to our being able to respond in just a matter of a few days in October of 1994 when Saddam Hussein sent his forces to the border of Kuwait again. We were able to send in a matter of a few days troops from Fort Stewart, GA, to marry up with this equipment and have a full armored unit on the border in a matter of a few days from the crisis. Pre-positioning is a critical part of our strategy.

We go from force structure and forward deployment and power projection to readiness, both for forces in the United States and deployed forces overseas.

This picture is to illustrate one critical component of readiness, which is training. I will be talking more about the importance of training and how it fits into our budget today. But we have the training fully funded in the 1997 budget so that we can maintain the full capability of our forces.

I have argued with this committee before that a very important component of readiness is quality of life for our soldiers. I want to take this opportunity to thank this committee, particularly the Military Construction Subcommittee, for the very good support you have given us in improving the quality of our housing.

In order to protect readiness, which I say again is our No. 1 priority, several things need to be done. Even though we have the funding both in the 1996 and the 1997 budget to perform the full levels of training requested by the services, those can be eroded by funds being diverted for contingency operations. That is happening as we speak for the operations going on in Bosnia. Therefore, we have to reprogram funds to deal with that problem.

We have a request for reprogramming in for 1996 to fund this Bosnian operation, and three of our four committees have acted on it. This committee has not. We urge you to act on this so we can get moving with the businesslike funding of the operation we have going on in Bosnia today.

Second, in terms of the fiscal year 1997 budget, for the first time we have submitted a budget to include these planned military operations in our funding. We have more than \$1 billion in this budget to accommodate the tail end of the Bosnian operation, which will occur after 1 October this year, and to accommodate the funding of the southwest Asia operations.

I have concluded myself that it was a mistake not to have those in the budget in the past. I have put them in this budget. That way we will not have to come back to you for supplemental reprogramming unless there are truly unexpected contingencies that arise during the year.

So we have continued in this budget robust O&M funding. This term "robust" is much overused. I want to define it that the O&M dollars divided by end strength, this year, last year are the highest that they have ever been historically and are about 10 to 20 higher than they were during the 1980's at the levels of our highest defense budgets. So we are funding O&M, and we are funding it well. That is reflected in the readiness and performance of our forces as we have seen in Haiti and in Bosnia.

We continue to monitor and manage readiness and continue to work to enhance the quality of life. Besides the good work that this committee has already done for us in the housing area, we will be coming to the committee this year to seek legislative authority to create a new military housing authority so that we can accelerate the introduction of new housing for our military forces.

I am now moving to weapon systems, which is in some ways the most controversial part of the budget. I have it divided in six different categories, nuclear deterrence, ballistic missile defense, air-sea and land dominance, and what I call battlefield awareness, sometimes called situation awareness.

Let me talk first about nuclear deterrence. The nuclear posture review held over a year ago concluded we still needed a nuclear

force for deterrence purposes. It could be smaller than in the past, but we still needed to maintain a ready and a safe force.

This chart from 1990 to the year 2003 reflects the drawdown of the nuclear force in terms of number of warheads, from approximately 11,000 in 1990, headed down to 6,000 in 1998 as part of the START I agreement. Both we and the Russians are ahead of schedule in the drawdown on START I.

Now, from 1998 on I have a more complicated picture because it depends: First, it depends on whether the Russian Parliament ratifies the START II treaty. It is now debating the START II treaty, but we do not know whether they will ratify it. Our policy will be not to draw below the 6,000 limit until or unless the Russians ratify the START II treaty and begin complying with it.

If they do ratify it, there are still several alternatives depending on the geopolitical developments at that time. One would be to reconstitute the force if things take a really adverse turn, and the other would be to make even faster and deeper reductions. These are decisions to be made in the future. In the meantime, we are on this course in START I, and we are keeping our powder dry in START II until such time as the treaty is actually ratified.

The next area is ballistic missile defense. I have represented on this chart what our program in national missile defense is. Our assessment is the threat is not now, but it could emerge. I will be happy to discuss with you the conditions under which a threat might emerge and what kind of a threat might emerge.

Our response to this is that we should have a readiness for deployment. In this program we are proceeding on development that will make us ready for a deployment decision in 3 years. The chart says if we decided in 3 years to deploy the system, we could begin deployment at that time and 3 years later have an operational capability. So we are 6 years away from an operational capability if we make the decision 3 years from now to deploy.

When that time comes, depending on what is happening to this threat emergence and depending on what is happening in technology, we might either decide to go ahead with the deployment or we might decide to move to a more advanced system here and that is depicted by the different options in the chart.

We also have a National Missile Defense Program. In this FYDP we have \$2 billion for national missile defense, which provides only for taking us to the readiness for deployment. It does not include the funding for deployment. If we decide to deploy in 3 years, we would need to add additional money at that point to accommodate the production and the deployment of the system.

In the theater missile defense the situation is very different. In theater missile defense the threat is here and now and we feel urgency about getting a system built and deployed to replace the Patriot System in the field, which we think is only marginally adequate for this purpose. Our CINC's and Joint Chiefs have agreed that the chief priority on theater missile defense is moving expeditiously to a system which we can deploy in the field.

Our program does this in two different ways. First, it has a Navy area system to be based on the Aegis and the next version of the Patriot, the so-called PAC III, and each of these is a substantial improvement over the Patriot System, and we are moving expedi-

tiously to make those systems ready for deployment in the near future.

One of the things that was done in the last program review is we added more funding to these two programs to be sure that we can sustain a rapid deployment decision on that.

In addition to that, since these systems are somewhat limited in the area that they cover, we wanted to have a wider area system developed, too. We also have both a ground-based system, THAAD, and a sea-based system, the Navy Theater-wide System, formerly called Navy Upper Tier System, under development, and this budget permits a deliberate deployment of those next generation systems. All in all, we have \$10 billion in the FYDP for this set of programs.

I want to go from there to air, sea, and land dominance. This chart, shows the sorties, air sorties of the Iraqi Air Force at the time of Desert Storm, and it shows the number of sorties, this number is 40 here, not a very impressive record, but still some attempt to field an air force right up until the time the air war started. And at that time, you can see we basically shutdown the Iraqi Air Force.

The point I want to make from this chart is that for years we have described our objective in air power is we wanted air superiority. What we had in Iraq was not air superiority, it was air dominance. We had it, we liked it, and we want to continue it. So our objective in this field now is to have air dominance. This set of programs describes what we will do to maintain the air dominance we have. This is a fairly richly funded set of programs running to \$6 billion a year in fiscal year 1997 and the outyears. I call this out to you because we have been criticized for having the wrong priorities, putting too much money in tactical air as opposed to other programs. We do have a rich program here.

Moving to the F-22, which is the next generation air superiority fighter, the joint strike fighter which is the follow-on to the F-16, the F-18, which is the next generation Navy aircraft, has substantial funding, and the V-22, which is the marine and special operations forces aircraft. So this is a vigorous program, \$6 billion a year moving forward in tactical air. We are doing it because we want to maintain air dominance and are not prepared to settle for this.

Do not take seriously people when they tell you we do not need advanced fighters like the F-22 and the F-18 because we will not face advanced fighters. We are not looking for an equal or fair fight. If we get into an air fight with somebody, we want the advantage to be wholly and completely on our side.

We have programs in the air to sea dominance. This depicts ships that we are building. This is the program. I have fiscal year 1996 and fiscal year 1997 here because we buy ships in lumps and it is not a smooth year-to-year basis. It comes to about \$6 billion a year for ships and that is sustained over the FYDP. It includes a new generation of attack submarines, as well as maintaining our surface vessels and maintaining sealift, a very important part of our program.

Land dominance, this chart gives pictures of our land systems. This funding, as you can see, is only about half the size of what

we are spending for air dominance and sea dominance. We have, again, been criticized, on the one hand, for having too much money in TAC AIR, and on the other for not having enough money in some of these land equipments. But I would point out to you that a key to success of our land battle is maintaining this air dominance.

It completely changes the dynamics of the battlefield. We not only are able to attack enemy ground forces with our air, but our own ground forces are immune to attack because of our air dominance. A big part of this is precision-guided missiles, which are more and more a key to our success.

Let me go to battlefield awareness, which the Army and the Air Force call situational awareness. This is the glue that holds it all together. We have a sizable program in this area. It is very often not understood, the importance of this program.

This cartoon, I have chosen the Predator, which is now in Bosnia and operating reconnaissance surveillance for our forces there. This shows the Predator looking at an enemy disposition either with a camera or with a radar imaging system, and in real time it relays that image to a satellite, which relays it back to a tactical intelligence center on the ground in the battle area.

At that center we get this image and plus data coming in from other sources including national intelligence sources and relay those data out to the American units in the field. This gives them detailed and precise knowledge of the disposition and the location of the enemy forces, an advantage which the enemy forces do not have. This was a critical advantage that we had in Desert Storm.

In Desert Storm we knew where every tank, every vehicle, every unit of the Iraqi Army was, all over the battlefield. What the Iraqi commander knew was what he could learn by looking out of the foxhole, and that advantage was absolutely critical to our success in Desert Storm. We want to sustain that advantage. It is the key to giving us the dominance on air, land, or sea warfare.

Where do we get the funds to buy these systems? You have seen this chart before. This is the decline in procurement spending. It started even earlier than 1990, goes back into the late 1980's. There has been a 60-percent decline since 1990, actually about a 70-percent decline since 1987, which is when this decline began. We have for the last 3 years been able to more or less level that off and the budget presented to you we project a 40-percent increase getting to the \$60 billion a year level by the end of the decade.

This decline meant we could buy very few airplanes, very few tanks, very few ships ordinarily a decline like this in a company by an aging of equipment in the field. That did not happen in this case because the decline happened at the same time that we were drawing down our forces and therefore pulling out the older equipment, and therefore what actually happened, and this is a picture for just one of our forces, which is the Air Force tactical aircraft; during this same period that we had the decline here the average age of our tactical aircraft remains almost constant, very slight increase and less than one-half the service life. So therefore we were and are today still in very good shape in that.

But what this also shows is now that the drawdown is over and we still don't have a strong procurement rate, then we are going to start to get aging on a year-to-year basis. As we go into the next decade, if we do not correct this problem, we will start going up in that direction, ending up with having old, obsolete equipment in the field. Therefore, we have to deal with this problem. We have to start ramping up our modernization.

I think we have fairly complete agreement in the administration and the Congress on that point. The debate has been over when to start ramping it up and how much to start ramping it up. This reflects the ramp-up in this budget; and let me say flat out, this will not be enough to solve the problem I have described to you unless we have success in some other areas as well.

Let me describe three fundamentals.

We have to sustain the top-line budget which the President has proposed, we have to have success in BRAC in the privatization initiatives we have, and we have to have success in acquisition reform. I will talk about each briefly.

Lets look at the top-line budget first. You have seen these figures. They show a decline in budget in 1997 and then a stabilization of the budget after that with a very modest increase in real terms. That is, the budget goes up each year here in nominal dollars, but it actually slightly increases in purchasing power in real dollars toward the end of the period.

Maintaining this gain is essential to solving the problem I have described, and that is what I mean by saying we have to maintain the top line which is in the President's budget. If it is eroded, for example, by inflation, not compensated for, then that would be one way of defeating the plan which we are proposing.

Let me talk about the next item, which is BRAC for privatization. I have talked to you many times about BRAC in the past. This is the first time I have had some results to give you in terms of ability to project numerically what the savings are going to amount to.

This chart shows, first of all, the cost of BRAC. That is the one element which is the best defined. This is historical, from 1990 to fiscal year 1996. In fiscal year 1996, we show the cost reaching a maximum of about \$4 billion. We will be using \$4 billion of Defense money this year to close the bases. That is the cost associated with closing the bases. Next year, that is fiscal year 1997, the budget we are proposing, the budget is \$2.8 billion for BRAC. Not shown here is that will be offset by \$300 million for sale of land, so a net of \$2.5 billion.

These costs we incur because we expect to make savings; and the green line represents the savings, historical to this point, achieved by BRAC.

In fiscal year 1996, an interesting development. This is the first year where we will get a break-even. That is going to be a great relief for us. In fiscal year 1996, the savings from BRAC will be about equal to the costs; and, therefore, we will have a break-even point.

In fiscal year 1997, the budget we are submitting to you now, we are expecting \$2.8 billion of cost, \$4.5 billion of savings for a net of \$1.7 billion. So this is the first year where we will be able to

take this money, harvest it for our modernization programs. In time, that will go up to about \$6 billion a year savings, and you can see during the course of the rest of this decade the number goes up to about \$4 billion and off the chart up to \$6 billion. That is one very key element.

Last year when I talked to you I was much more uncertain about being able to effect these savings. This year, with a year of history behind us, I am much more confident in the figures that I am projecting.

The other area of harvesting savings is in acquisition reform. I have testified many times how important I think acquisition reform is and how dedicated I am to achieving it, but I have also said I cannot quantify the savings from it. This year, I can begin to quantify the savings; and I would like to start doing that.

This is one program. The SMART-T Program it is called. It is an Army field tactical terminal—communication terminal. That program was started in fiscal year 1992 at an estimated cost of about \$800 million.

We made this a model for acquisition reform in 1994 in two different ways: first, we reexamined the requirements for the system, reduced them somewhat. For example, we determined the system did not have to be nuclear hardened. Second, we determined that the way we bought it could be changed by changing the specs, reducing the data requirements, calling for a failure-free warranty.

The net of all of these was just a few months ago we awarded a fixed price contract for \$250 million. So from the initial estimate of almost \$800 million we ended up with a \$250 million fixed price program, with a savings of over \$500 million.

The point I want to make is that the savings in acquisition reform are not a few percent, they are not on the margin. We can cut costs in half—more than in half, if we do it right. This is not an isolated case.

I want to go to the JDAM Program, Joint Direct Attack Munitions. This is a program where we are taking bombs already in our inventory, 1,000-pound bombs, putting in GPS receivers, having a control system that causes the fins to wiggle, and we turn a dumb bomb into a smart bomb. We will be building thousands of these.

The unit cost when we started the program in 1994 was \$42,000, and we went in and said we relieve you of the MILSPEC requirements, of the reporting and requirements that are set up. In a sense, we introduced the features of acquisition reform; and now that program is coming in at \$14,000—from \$42,000 to \$14,000. Over the life of this program we will save about \$3 billion on the JDAM. Again, this is not marginal or small savings. These are very real dollars and very large dollars.

The last example is the C-17, one of our most important aircraft programs. Just 3 years ago, this program was in such deep trouble that it was in danger of being cancelled; and there were calls from some Members of Congress, as a matter of fact, to cancel it. Today, it is the most successful aircraft program that we have. Not only is it successful in performance, but I want to tell you something about the contracting of it.

First of all, by introducing integrated product teams in the management of the program quite early on and by relieving some of the

requirements of the program, including some of the reporting requirements, we got costs down. We got a good program, and the program was good enough that we are going for a multiyear procurement of both the airplane and the engine. All these have resulted in savings over the life of the program of \$5.3 billion, \$3 billion of which is during the period of this budget proposal that I am making to you. These are real dollars, and they are big dollars, and they are what we are getting from acquisition reform.

A final comment about acquisition reform. Late last year we extended the authority for acquisition reform to programs already underway. What I have described to you are three new starts, but we can have many programs underway where we can retroactively go back and try to get additional savings. So all of these together are going to make a big difference in our ability to run the program more efficiently and get more value from the dollars that are available to us.

I would like to conclude with a statement that we have today the best military force in the world. That sounds, I am sure, like a boastful statement. I can assure you that this is not just my judgment. This is the judgment of every senior military leader that I know in the world today, that the U.S. military is the best military force in the world today.

These were taken at the Saga River Bridge in January in Bosnia. I went there the day after they opened that bridge and walked from the Croatian side to the Bosnian side across the bridge.

Halfway across the bridge, I came across 20 or 30 soldiers still working on one section of the bridge. They were cold, dirty, tired, and exhausted; but they were very proud about what they had done. A staff sergeant in the group stepped forward. It turned out his enlistment was up; and he said he wanted to reenlist. So General Joulwan and General Shalikashvili and I swore him in to 4 more years in the U.S. Army out in the middle of the Saga River Bridge.

I can tell you I have never been so proud of the U.S. Army as I was at that time, nor have I ever been so proud to be the Secretary of Defense of soldiers that have that kind of morale and that kind of spirit. This is one fine military force we have. We want to keep it that way.

I want to end with the statement, people in our program are our first priority, and as long as I am Secretary of Defense it will stay that way. We have gotten great support from this committee and this Congress on the initiatives I have in this area.

The full pay raises, for the first time in our history we have budgeted the pay raises all through the periods of the FYDP, 3 percent in fiscal year 1997 and what the current law will allow from 1998 through the rest of the periods.

We budgeted high-quality health care benefits.

Retirement—again with the support of this committee, the retirement benefits remain unchanged.

Housing—49,000 new barrack spaces over the FYDP and new family housing authorities getting started, support we have already gotten from this committee and more support we will be asking for this year.

Thank you, Mr. Chairman, for your attention and for the support this committee has given me. I would like to now turn over to General Shalikashvili before we entertain questions.

[The prepared statement of Secretary Perry follows:]

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HOUSE NATIONAL
SECURITY COMMITTEE

STATEMENT OF
SECRETARY OF DEFENSE
WILLIAM J. PERRY
BEFORE THE
COMMITTEE ON NATIONAL SECURITY
HOUSE OF REPRESENTATIVES
IN CONNECTION WITH THE FY 1997
DEPARTMENT OF DEFENSE BUDGET
6 March 1996

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SECURITY COMMITTEE

**Statement of Secretary of Defense William J. Perry
In Connection with the FY 1997 Defense Budget
House National Security Committee
March 6, 1996**

A DEFENSE STRATEGY FOR THE POST-COLD WAR WORLD

Mr. Chairman, members of the committee, it is a pleasure to be here to present President Clinton's fiscal year (FY) 1997 Department of Defense (DoD) budget. In this statement my goal is to summarize the strategic context in which this budget has been developed.

THE DANGERS OF THE POST-COLD WAR WORLD

Contrary to the hopes of many and predictions of some, the end of the Cold War did not bring an end to international conflict. The most daunting threats to our national security that we faced during the Cold War have gone away, but they have been replaced with new dangers. (Figure 1)

During the Cold War, we faced the threat of nuclear holocaust; today we face the dangers attendant to the proliferation of weapons of mass destruction. Nuclear weapons in the hands of rogue nations or terrorists are especially dangerous because, unlike the nuclear powers during the Cold War, they might not be deterred by the threat of retaliation.

During the Cold War, we faced the threat of Warsaw Pact forces charging through the Fulda Gap and driving for the English Channel; today we face the dangers attendant to the instability in Central and Eastern Europe resulting from the painful transition to democracy and market economies now underway there. This instability could lead to civil wars or even the reemergence of totalitarian regimes hostile to the West.

During the Cold War, we faced the threat of the Soviet Union using third world nations as proxies in the Cold War confrontation; today we face the dangers arising from an explosion of local and regional conflicts, unrelated to Cold War ideology, but rooted in deep-seated ethnic and religious hatreds and frequently resulting in horrible suffering. These conflicts do not directly threaten the survival of the United States, but they can threaten our allies and our vital interests, particularly if the regional aggressors possess weapons of mass destruction.

The new post-Cold War dangers make the task of protecting America's national security different and in some ways more complex than it was during the Cold War. Our task of planning force structure is more complex than when we had a single, overriding threat. Previously, our force structure was planned to deter a global war with the Soviet Union, which we considered a threat to our very survival as a nation. All other threats, including regional threats, were considered "lesser, but included" cases. The forces we maintained to counter the Soviet threat were assumed to be capable of dealing with any of these lesser challenges. Today, the threat of global conflict is greatly diminished, but the danger of regional conflict is neither lesser nor included and has therefore required us to take this danger explicitly into account in structuring our forces. These risks are especially worrisome because many of the likely aggressor nations possess weapons of mass destruction. Additionally, our defense planning must provide a hedge for the possibility of a reemergence at some future time of the threat of global conflict.

Also, our task of building alliances and coalitions is more complex in the absence of a global threat. With the collapse of the Soviet Union and the dissolution of the Warsaw Pact, the *raison d'être* of NATO, for example, had to be reconsidered from first principles in order to relate its missions to the new dangers. And new coalitions and partnerships needed to be formed with the newly emerging democratic countries. In building such international coalitions, we understand that the United States is the only country with truly global interests and a full range of global assets -- military, economic, and political. Thus, we are the natural leader of the international community. However, even the United States cannot achieve its goals without the active assistance of other nations. No state can act unilaterally and expect to fully address threats to its interests, particularly those that are transnational in character.

Thus the new post-Cold War security environment requires a significant evolution in our strategy for managing conflict, and it requires new and innovative defense programs and management philosophies to implement that strategy.

MANAGING POST-COLD WAR DANGERS: PREVENT, DETER, AND DEFEAT

Today, our policy for managing post-Cold War dangers to our security rests on three basic lines of defense. (Figure 2) The first line of defense is to prevent threats from emerging; the second is to deter threats that do emerge; and the third, if prevention and deterrence fail, is to defeat the threat to our security by using military force. A renewed emphasis on the first line of defense -- preventive defense -- is appropriate in dealing with the post-Cold War dangers, and is a significant departure from our Cold War defense policies, where the primary emphasis was on deterrence.

Preventive Defense

During World War II, all of America's defense resources were dedicated to defeating the threat posed by Germany and Japan and their allies. That war ended with a demonstration of the incredibly destructive power of atomic weapons. Thus, when the Cold War began, the fundamental predicate of our defense strategy was that fighting a nuclear war was an unacceptable proposition -- unacceptable from a military as well as a moral standpoint. So we formulated a strategy of deterrence -- a logical response to the single overarching threat we faced during that era: an expansionist Soviet Union heavily armed with nuclear and conventional weapons. This strategy meant that the primary responsibility of previous Secretaries of Defense was making sure that we had adequate forces -- both nuclear and conventional -- to provide unambiguous deterrence.

Today, we continue to deter potential adversaries by maintaining the best military forces in the world. But in the post-Cold War era, the Secretary of Defense and the Department also devote significant efforts to working on preventive defense. Preventive defense seeks to keep potential dangers to our security from becoming full-blown threats. It is perhaps our most important tool for protecting American interests from the special dangers that characterize the post-Cold War era. When successful, preventive defense precludes the need to deter or fight a war.

Preventive defense is nothing new -- it has been a central idea of military strategists for over two thousand years. Indeed, it has been an important strand in United States defense policy that has been used before with notable success. After World War II, the United States and its allies undertook significant efforts to prevent a future war by holding out a hand of reconciliation and economic assistance to our former enemies, Japan and Germany. These efforts were an

outstanding success, especially the Marshall Plan in Europe. The economies of Japan and Western Europe rebounded, democracy grew deep roots, and our military cooperation and strategic alliances flourished. But Joseph Stalin turned down the Marshall Plan for the Soviet Union and the Eastern European countries that he dominated, and our preventive efforts with the Soviet Union failed.

Instead, the Cold War ensued, and for more than forty years the world faced the threat of global war and even nuclear holocaust. Having failed to prevent the conditions for conflict, the United States concentrated on the second line of defense -- deterrence. Over the next forty plus years, deterrence worked, and World War III was averted. Finally, largely as a result of fundamental flaws in its political and economic system, the Soviet Union collapsed, and many of the New Independent States sought to establish democratic governments and free-market systems. The outcome of that unprecedented transformation is still uncertain, but today the threat of worldwide nuclear conflict has receded, former Warsaw Pact nations are seeking to join NATO, and Russia and the United States are cooperating in both economic and security programs.

Clearly, deterrence and warfighting capability still have to remain central to America's post-Cold War security strategy, but they cannot be our only approaches to dealing with the threats to our security. Instead, the dangers facing us today point us towards a greater role for preventive defense measures. Just as preventive defense measures helped shape our security environment following World War II, preventive measures can help us deal with post-Cold War dangers. Indeed, the end of the Cold War allows us to build on the types of preventive measures successfully introduced by George Marshall in Western Europe, and extend them to all of Europe and the Asia-Pacific region.

In addition to maintaining strong alliances with our traditional allies in NATO and the Asia-Pacific region, our preventive defense approach consists of four core activities (Figure 3):

- Working cooperatively with Russia, Ukraine, Kazakhstan, and Belarus to reduce the nuclear legacy of the former Soviet Union and to improve the safety of residual weapons;
- Establishing programs to limit the proliferation of weapons of mass destruction;
- Encouraging newly independent and newly democratic nations to restructure their defense establishments to emphasize civilian control of their military, transparency in their defense programs, and confidence-building measures with their neighbors; and
- Establishing cooperative defense-to-defense relationships with nations that are neither full-fledged allies nor adversaries, but who are, nonetheless, important to our security.

Investing in these programs today, which my predecessor Les Aspin aptly dubbed "defense by other means," saves us both blood and treasure tomorrow.

Proliferation is a prime example. The possession of nuclear or other weapons of mass destruction by a potential aggressor not only increases the potential lethality of any regional conflict, but the mere possession of the weapons by the potential aggressor increases the chances of conflict arising in the first place. In other words, it is not just that a nuclear-armed Iraq or North Korea would be a more deadly adversary in a war -- it is that with nuclear weapons they are likely to be harder to deter and more likely to coerce their neighbors or start a war in the first place. The Framework Agreement with North Korea is a prime example of our counterproliferation program at work. The dangerous North Korean nuclear program has been frozen since October 1994, when the Framework Agreement was signed.

Another example of preventive defense is our Cooperative Threat Reduction program, often referred to as the Nunn-Lugar program. Under this program, we have assisted the nuclear states of the former Soviet Union to dismantle thousands of nuclear warheads and destroy hundreds of launchers and silos.

Reducing the nuclear threat to the United States and stopping proliferation are only the most dramatic examples of why prevention is so important to our security. The Department has initiated other imaginative programs to strengthen our preventive defense -- most notably Partnership for Peace, which will be described in a later section.

Deterrence

No matter how hard we work on preventive defense, we cannot be sure that we will always be successful in preventing new threats from developing. That is why we must deter threats to our security, should they emerge. The risk of global conflict today is greatly reduced from the time of the Cold War, but as long as nuclear weapons still exist, some risk of global conflict remains. The United States, therefore, retains a small but highly effective nuclear force as a deterrent. These forces (as well as those of Russia) have been reduced significantly, consistent with the START I treaty, and will be further reduced when Russia ratifies the START II treaty.

Similarly, to deter regional conflict, we must maintain strong, ready, forward-deployed, conventionally-armed forces; make their presence felt; and demonstrate the will to use them. While the diminished threat of global conflict has allowed us to reduce U.S. force structure accordingly, the increased risk of regional conflict places sharp limits on how far those reductions can go. Today, the size and composition of American military forces, consistent with the Bottom-Up Review conducted in 1993, are based on the need to deter and, if necessary, fight and win, in concert with regional allies, two major regional conflicts nearly simultaneously. The guiding principle is that the United States will fight to win, and to win decisively, quickly, and with minimum casualties.

This principle requires us to maintain a force structure today of about 1.5 million active duty personnel and 900,000 Selected Reserve personnel. These forces are organized into 10 active Army divisions and 15 Army National Guard enhanced readiness brigades; 20 Air Force wings (including 7 reserve wings); 360 Navy ships, including 12 aircraft carriers; and 4 Marine divisions (including 1 reserve division). (Figure 4) Equally important to the size of the force is the requirement to maintain a commanding overseas presence, including 100,000 troops in Europe and about the same number in the Pacific, all in a high state of readiness. Our overseas presence not only deters aggression, it also improves coalition effectiveness in the event deterrence fails, demonstrates U.S. security commitments, provides initial crisis response capability, and underwrites regional stability. Strong deterrence also requires us to maintain prepositioned equipment in the Persian Gulf, the Indian Ocean, Korea and Europe, and carrier task forces and Marine Expeditionary Units afloat, able to move quickly to any crisis point. And finally, it requires that we keep our forces in the United States in a high state of readiness, and that we have the lift capability to transport them and their equipment rapidly to distant theaters. Having the capability to deploy forces quickly to a crisis decreases the likelihood that they will actually have to be used and increases their chances for success if force is necessary. Our planning involves the extensive use of well-trained Reserve Component forces. Fifteen Army National Guard brigades and many combat support reserve units will be maintained at a high readiness level to allow their use at early stages in

military operations. The rest are intended to be used as follow-on forces available for later deployment in longer-term contingencies.

Those are the requirements that go with the ability to fight and win, in concert with regional allies, two nearly simultaneous major regional conflicts. U.S. forces today meet these requirements. While being able to fight and win is essential, that ability alone cannot deter conflict. Deterrence stems from military capability coupled with political will, both real and perceived; credibility is as important to deterrence as military capability. Deterrence of regional conflict failed, for example, in 1950 when North Korea doubted American political will. Some World War II veterans had to turn around and return to the Far East to reassert that political will, at a very high price. Today, American forces in the region serve as a visible reminder of our willingness and capability to help defend our South Korean allies.

In 1990, deterrence of regional conflict failed again when Iraq doubted our political will to defend Kuwait and Saudi Arabia. We demonstrated that will through a costly but highly successful war to evict Iraqi forces from Kuwait. In contrast, deterrence succeeded in October 1994 when Iraq moved forces down to the Kuwaiti border a second time. This time, the United States demonstrated political will by rapidly deploying additional U.S. military forces to the Gulf. Within a few days after the Iraqi forces had moved to the Kuwaiti border, we had deployed 200 fighter aircraft, an armored brigade, a Marine Expeditionary Unit, and a carrier battle group to the theater. These forces created in a few days a presence that took many weeks to assemble in 1990. Faced with that presence and the lessons of Desert Storm, Saddam Hussein sent his brigades back to their barracks. We achieved deterrence through the capability to rapidly build up a highly capable force, coupled with the credible political will to use that force.

Defending U.S. Interests Through Use of Military Force

Deterrence can sometimes fail, however, particularly against an irrational or desperate adversary, so the United States must be prepared to actually use military force. Use of force is the method of last resort for defending our national interests and requires a careful balancing of those interests against the risks and costs involved. The key criteria are whether the risks at stake are vital, important, or humanitarian.

If prevention and deterrence fail, vital U.S. interests can be at risk when the United States or an ally is threatened by conventional military force, by economic strangulation, or by the threat of weapons of mass destruction. These threats to vital interests are most likely to arise in a regional conflict and, by definition, may require military intervention.

In contrast, military intervention in ethnic conflicts or civil wars, where we have important, but rarely vital interests at stake, requires the balancing of those interests against the risks and costs involved. In general, any U.S. intervention will be undertaken only after thorough consideration of the following critical factors: whether the intervention advances U.S. interests; whether the intervention is likely to accomplish U.S. objectives; whether the risks and costs are commensurate with the U.S. interests at stake; and whether all other means of achieving U.S. objectives have been exhausted. The United States chose not to intervene as a ground combatant in the war in Bosnia and Herzegovina because the risks and costs were too high when weighed against our interests. This decision was made by two successive administrations for essentially the same reasons. However, after successful American diplomacy and NATO military force reshaped the situation and

the risks, we made the decision to participate, not as a combatant, but in the NATO peace implementation force.

The bottom line is that the United States is a global power with global interests, and as President Clinton has said, "Problems that start beyond our borders can quickly become problems within them." American leadership, global presence, and strong armed forces can help keep localized problems from becoming our problems, and protect us if they do. At the same time, there are limits to what the United States and its forces can or must do about problems around the globe. As the President said:

America cannot and must not be the world's policeman. We cannot stop war for all time, but we can stop some wars. We cannot save all women and children, but we can save many of them. We can't do everything, but we must do what we can. There are times and places where our leadership can mean the difference between peace and war, and where we can defend our fundamental values as a people and serve our most basic, strategic interests.

Finally, in some instances, the United States may act out of humanitarian concern, even in the absence of a direct threat to U.S. national interests. Agencies and programs other than the U.S. Armed Forces are generally the best tools for addressing humanitarian crises, but military forces may be appropriate in certain specific situations, such as when:

- a humanitarian crisis dwarfs the ability of civilian agencies to respond.
- the need for relief is urgent, and only the military can jump-start a response.
- the response requires resources unique to the military.
- the risk to American service members is minimal.

A good case in point was America's humanitarian intervention in Rwanda in the summer of 1994 to stop the cholera epidemic, which was killing 5,000 Rwandans a day. Only the U.S. military had the ability to rapidly initiate the humanitarian effort to bring clean water, food, and medicine to Hutu refugees who had fled from Rwanda in the wake of a catastrophic tribal conflict. U.S. forces carried out their mission successfully, at little cost, with little risk, and then quickly withdrew.

IMPLEMENTING OUR PREVENT, DETER, AND DEFEAT STRATEGY

Implementing our defense strategy involves literally hundreds of programs. Highlighted below are some key ways that we are implementing our approach of prevent, deter, and defeat.

Reducing the Danger of Weapons of Mass Destruction

During the Cold War, the Soviet nuclear physicist Andrei Sakharov said that preventing a nuclear holocaust must be the "absolute priority" of mankind. This is still true. Today, a primary means for accomplishing this goal is the continued dismantlement of nuclear warheads, bombers, and ballistic missile launchers. The touchstone of our preventive activities in this area is the Cooperative Threat Reduction program, which helps expedite the START I Treaty reductions in the states of the former Soviet Union. (Figure 5) This program contributes to some remarkable accomplishments: over 4,000 nuclear warheads and more than 700 bombers and ballistic missile launchers dismantled, a nuclear-free Kazakhstan, Ukraine and Belarus on the way to becoming nuclear free, and successful removal of nuclear material from Kazakhstan through Project Sapphire.

It is also vitally important that we prevent potential regional conflicts from assuming a nuclear aspect. (Figure 6) That is why we have worked hard to help implement the framework agreement which has frozen North Korea's dangerous nuclear program and, when fully implemented, will eliminate the program altogether. Efforts to reduce the nuclear threat also include sanctions on Iraq and Iran and the indefinite extension without conditions of the historic Nuclear Non-Proliferation Treaty. Such diplomatic measures do not stand in isolation -- they are an integral and crucial part of the U.S. approach to preventing conflict.

Hedging against Potential Future Threats

Despite our best efforts to reduce the danger of weapons of mass destruction, it is still possible that America -- and our forces and allies -- could again be threatened by these terrible weapons. That is why it is important for the United States to maintain a small but effective nuclear force. (Figure 7) This deterrent hedge is not incompatible with significant reductions in American nuclear forces, nor is it incompatible with American support for the Nuclear Non-Proliferation Treaty and a comprehensive ban on nuclear testing. This nuclear hedge strategy is complemented by a program to develop a ballistic missile defense system that could be deployed to protect the continental United States from limited attacks, should a strategic threat to our nation arise from intercontinental ballistic missiles in the hands of hostile rogue states. (Figure 8)

Another way we hedge against potential future threats is by maintaining selected critical and irreplaceable elements of the defense industrial base, such as shipyards that build nuclear submarines. With the end of the Cold War and the defense downsizing, the need for large numbers of major new ships, aircraft, and armored vehicles has declined significantly. Allowing these defense-unique production facilities to shut down or disappear completely, however, would curtail the nation's ability to modernize or prepare for new threats down the road. Therefore, the Department will selectively procure certain major systems -- such as the Navy's Seawolf fast-attack submarine -- in limited quantities to keep their production capabilities "warm" -- until we are ready to build the next generation nuclear submarines.

Maintaining Strong Alliances and Reaching Out to Old Rivals and New States

Maintaining strong alliances with our traditional allies in Europe and the Asia-Pacific, maintaining constructive relations with Russia and China, and reaching out to new democracies and friends are key elements of our defense posture.

Europe

In Europe, NATO is the foundation of our security strategy, and we plan to continue to play a leadership role within NATO. There are those who allege that NATO is now obsolete. But, in fact, NATO has provided a zone of stability for Western Europe for over 40 years, and all 16 members have reaffirmed the importance of the Alliance. Indeed, NATO has received requests from new nations wishing to join, to be a part of this zone of stability.

NATO's Partnership for Peace (PFP) program is already extending a zone of stability eastward across Europe and Central Asia by promoting military cooperation among NATO countries, former members of the Warsaw Pact, and other countries in the region. This cooperation takes place at many levels, from frequent meetings between Defense Ministers to officer exchanges at schools and planning headquarters. The highlight of PFP, though, is the joint exercise program, focusing on peacekeeping training. In August 1995, the United States hosted one of these exercises,

"Cooperative Nugget," at Fort Polk. Such exercises have had a remarkable effect on European security by building confidence, promoting transparency, and reducing tensions among nations that have, in many cases, been at odds for long periods of Europe's history. PFP is also the pathway to NATO membership for those Partners that wish to join the Alliance.

In fact, the positive effects of PFP resonate far beyond the security sphere. Since political and economic reforms are a prerequisite to participation in PFP or membership in NATO, many Partner nations have accelerated such changes. In addition, many Partner nations are starting to see value in actual PFP activities, irrespective of whether they lead to NATO membership. The lessons learned and values fostered through the program are intrinsically useful.

PFP is one of the most significant institutions of the post-Cold War era. Like the Marshall Plan in the 1940s, PFP today is creating a network of people and institutions across all of Europe working together to preserve freedom, promote democracy and free markets, and cooperate internationally — all of which are critical to expanding the zone of stability in Europe in our day. (Figure 9)

It is critical that this zone of stability in Europe include Russia. Key to this is Russia's active membership in PFP, NATO's development of a special security relationship with Russia, and Russia's integral involvement in broader European security issues, as in Bosnia. Open, productive security relations with Russia are an essential element of our approach to advancing security in Europe and ultimately limiting the potential for conflict. Recognizing that Russia remains a major world power with global interests and a large nuclear arsenal, the United States seeks a pragmatic partnership with Russia whereby we pursue areas of agreement and seek to reduce tensions and misunderstandings in areas where we disagree. Our successful efforts to include a Russian brigade in the U.S. sector of the NATO-led peace implementation force in Bosnia readily reflect this partnership.

In addition to cooperative threat reduction efforts such as the Nunn-Lugar program, we also seek to foster greater openness in the Russian defense establishment and to encourage Russia to participate in global nonproliferation activities and regional confidence building measures, by participating in the U.S.-Russian Commission on Economic and Technological Cooperation. The Commission, established by Vice President Gore and Prime Minister Chernomyrdin in 1993, seeks to build confidence by forging a better economic relationship between the United States and Russia. The Defense Department is part of an interagency effort sponsored by the Commission focused on finding, facilitating, and helping finance investments in the region by American business enterprises, targeting a wide range of opportunities — from defense conversion to space exploration to prefabricated housing. The Commission's activities benefit Russia's attempts to achieve a market economy, benefit American companies, and benefit American security interests—a triple win!

Asia-Pacific

In the Pacific, the United States and Japan have entered into a new era in our regional relationship, as well as in our global partnership. A stronger U.S.-Japanese alliance will continue to provide a safe environment for regional peace and prosperity. Our alliance with South Korea not only serves to deter war on the peninsula, but also is key to stability in the region. These security alliances and the American military presence in the Western Pacific preserve security in the region, and are a principal factor in dampening a regional arms race.

We are also fully participating in multilateral security dialogues, such as the ASEAN Regional Forum, which help reduce tensions and build confidence so that tough problems like the territorial dispute over the Spratly Islands in the South China Sea can be resolved peaceably.

Central to our efforts to prevent conflict in the Asia-Pacific region is our policy of comprehensive engagement with China, a major power with a nuclear capability. The United States will not ignore China's record on human rights, political repression, or its sale and testing of dangerous weapons, but we also will not try to isolate China over these issues. We want to see China become a responsible, positive participant in the international arena, and the best way to encourage this is to maintain a vigorous dialogue over a wide range of issues -- including security issues -- so that we can pursue areas of common interests and reduce tensions.

In South Asia, the United States has restarted a bilateral security relationship with Pakistan and begun a new security dialogue with India. These ongoing dialogues can help all three countries focus on areas of common interest, such as international peacekeeping, and could in time provide the confidence necessary to address more difficult problems, such as nuclear proliferation and the long-simmering conflict over Kashmir.

The Americas

In our own hemisphere, we are witnessing a new era of peace, stability, and security. From Point Barrow to Tierra del Fuego, all 34 nations except Cuba have chosen democracy, and economic and political reforms are sweeping the region. This historic development paved the way for the first Defense Ministerial of the Americas last summer, at which delegations from all 34 democracies gathered in Williamsburg, Virginia, to consider ways to build more trust, confidence, and cooperation on security issues throughout the region. Following on the success and progress at Williamsburg, the nations of this hemisphere already are planning for the second Defense Ministerial in Argentina in the fall of 1996.

Like the Partnership for Peace in Europe, the Defense Ministerial of the Americas provides an opportunity to build a "zone of stability" in a region once destabilized by Cold War tensions. In the Americas, as in Europe, the tools for building stability include joint training and education programs that promote professional, civilian-controlled militaries as well as personal interactions; information sharing on national military plans, policies, and budgets; and confidence-building measures. In Europe, these activities are led by the United States and NATO. In the Americas, they are emerging by consensus and encouraged by the U.S.. But ultimately, the result is the same: more democracy, more cooperation, more peace, and more security for the United States.

Regional Preventive Defense Efforts

In each of the regions discussed, the United States has military-to-military relationships and is conducting joint exercises with a much wider range of countries than ever before. These activities promote trust and enable forces from different countries to operate together more effectively, which is essential given the increasing prevalence of combined operations. In the Gulf War, for example, about 40 countries made military contributions. Nearly three dozen countries are participating in the peacekeeping force in Bosnia, including many non-NATO countries.

Another important part of preventive defense is our effort to promote democratic civil-military relations. One such program, conducted jointly with the State Department, is the International Military Education and Training program, which has now trained half a million foreign officers in

the fundamentals of civil-military relations over the last several decades. Similarly, recently established regional training and study centers like the Marshall Center in Germany and Asia-Pacific Center for Security in Hawaii are designed to promote contacts between regional military officers and civilian defense officials and to foster the principles of civilian control of the military.

PROTECTING THE READINESS OF OUR FORCES -- NEAR- AND MEDIUM-TERM

No security strategy is better than the forces that carry it out. Today, the United States has forces that are well-trained, well-equipped, and -- most of all -- ready to fight, as their performance over the past year in the Persian Gulf, Haiti, and Bosnia illustrates. The Department has maintained this readiness in spite of a drawdown of historic proportions. Drawdowns create turbulence in the force, which historically has undermined readiness. Recognizing this history, we have taken unprecedented steps to maintain readiness while reducing our forces in the wake of the Cold War. (Figure 10) By the end of 1996 the drawdown will be nearly complete, which means an end to the turbulence. In the meantime, though, the Department continues to maintain high near-term readiness through robust funding of its Operation and Maintenance (O&M) accounts. This remains the Department's top budget priority. Manifesting this priority, the Department's FY 1995 and FY 1996 budgets and the FY 1997 budget request are at historically high levels of O&M funding (normalized to force size). (Figure 11)

Medium-term readiness depends on attracting top quality people and retaining them after they have developed technical and leadership skills. To do so, we must offer not only challenging and rewarding work, but also an appropriate "quality of life," a term used to encompass the entire package of compensation and benefits, as well as the work and living environment for military service personnel. Protecting quality of life is not only the right thing to do for the men and women who serve and sacrifice for their country, it is also critical to preserving medium-term readiness.

Last year, President Clinton approved an increase in defense spending of \$25 billion over six years largely aimed at improving the quality of military life. This includes a commitment to ensure that military personnel receive the full pay raise authorized by law through the end of the century. It is also directed at extensive improvements in military quality of life programs, including housing -- a key concern to service families. (Figure 12) This past year, a distinguished panel, led by former Army Secretary John Marsh, looked beyond existing DoD efforts to identify quality of life problems and suggest high-leverage, affordable solutions. The panel concentrated on three major areas: housing, personnel tempo, and community and family services. Action on the panel's recommendations is being incorporated into DoD's overall effort to preserve quality of life.

MODERNIZATION -- THE KEY TO LONG-TERM READINESS

To ensure military readiness in the long term requires the Department to modernize the armed forces with new systems and upgrades to existing systems to maintain America's technological advantage on the battlefield. For the past five years, the Department has taken advantage of the drawdown and slowed modernization in order to fully fund those expenditures that guarantee near-term readiness -- spare parts, training, and maintenance. (Figure 13) As a result, the modernization account in FY 1997 will be the lowest it has been in many years, about one-third of what it was in FY 1985. At the same time, the average age of our military equipment has not increased, because as the forces were drawn down, the older equipment was weeded out. (Figure 14) But now that the drawdown is nearly over, the modernization reprieve from aging is nearly over, too.

So, beginning in FY 1997, the Department is planning a modernization "ramp-up," which will be critical to the readiness of the forces in the next century. By the year 2001, funding to procure equipment to modernize our forces will increase to \$60.1 billion in current dollars -- over 40 percent higher than what it is in the FY 1997 budget. This five-year plan will focus on building a ready, flexible, and responsive force for a changing security environment. The force will continue to maintain our technological superiority on the battlefield by seizing on the advances in information-age technology, such as advanced sensors, computers, and communication systems. At the same time, the modernization program will focus on bread and butter needs, such as airlift and sealift, and the "everyday equipment" ground forces need in the field, such as tactical communications gear, trucks, and armored personnel carriers. (Figure 15)

This five-year modernization plan is based on three assumptions. First, that the defense budget top line will stop its decline in FY 1997 and begin to rise again (as proposed in the President's five-year budget). (Figure 16) Second, that the Department will achieve significant savings from infrastructure reductions, most importantly from base-closings. The third assumption of our modernization program is that the Department will achieve significant savings by "outsourcing" many support activities and overhauling the defense acquisition system.

Base Realignment and Closure (BRAC)

The Base Realignment and Closure process is directly linked to modernization and long-term readiness. As we downsize the military force, we must also reduce our Cold War infrastructure. Our efforts to manage this process have been aimed at saving money while ensuring that troops have the training and equipment they need to be ready in the future. While the Department has made significant progress in base closings, many BRAC recommendations have not yet been implemented, and an imbalance between force structure and infrastructure remains.

Until we fully execute the BRAC process, money will be tied up in non-performing real estate, draining funds from our modernization efforts and other programs. While base-closing initially costs money -- the FY 1996 budget included \$4 billion allocated to base closing costs -- there will be significant savings in the future. In the FY 1999 budget, the Department projects \$6 billion in savings from closing the bases, thus allowing a \$10 billion "swing" in savings. (Figure 17) These and future savings from base-closing will be devoted to modernization.

Completing the BRAC process quickly is not only key to saving money, it also is the right thing to do for the communities involved. The Department is helping these communities find imaginative ways to put the excess defense property to productive use as quickly as possible. When base closure is done right, it can leave communities better off, with a more diverse economy and more jobs. The key is early community involvement and planning. For example, when Louisiana's England Air Force Base was slated for closure, the Alexandria Chamber of Commerce worked with the Air Force to develop a base reuse plan. Months before the base did close, small business enterprises had already signed leases, resulting today in hundreds of new jobs for Alexandria.

ACQUISITION REFORM AND PRIVATIZATION

Over the past two years, the Department has undertaken the most revolutionary changes in its acquisition system in 50 years, and is looking for ways to further reform the system through privatization.

Acquisition Reform

First, the Department discarded the system of military specifications, or MilSpecs, which spelled out how contractors must design and produce military systems, supplies, and services. In its place, the Department will use commercial and performance standards. These will call for the highest quality standards available in the commercial market or, if there are no relevant commercial standards, will use functional specifications which describe how the equipment is to perform -- and challenge suppliers to meet that standard any way they want.

The second major change in the defense acquisition system began on October 1, 1995, when the new federal acquisition streamlining regulations were published. These regulations, in effect, will allow the Defense Department to buy from the commercial marketplace more often, and buy more like commercial firms do. (Figure 18)

Defense acquisition reform is important not only because it will help pay for the defense modernization program, but also because of a phenomenon called "technology pull." This phrase describes the demand for advanced technology to give the United States battlefield superiority. "Technology pull" has its roots in the U.S. military experience in Desert Storm. Before Desert Storm, many U.S. military commanders and outside experts were skeptical of advanced technology applied to combat. For example, they questioned the concept of the Reconnaissance Strike Forces, developed in the 1970s and deployed in the 1980s. This concept combined stealth aircraft, precision-guided munitions, and advanced surveillance technology to offset superior numbers of Soviet forces. But there was great concern that such advanced technology was too delicate, or that it would not work in the fog of war. In Desert Storm, however, the same Reconnaissance Strike Forces crushed the Iraqi military force with very low U.S. losses. Skeptics became believers. Advanced technology proved itself. And military commanders are finding myriad uses for it -- not just smart weapons, but also smart logistics, smart intelligence, and smart communications. Commanders are revising their doctrine and tactics to take advantage of this technology, and they want to "pull" it faster into their war planning.

The key technology they want is information technology, and it is being developed at a breathtaking pace, but not by the Defense Department. It is being developed by commercial computer and telecommunications companies, dual-use (defense-commercial) technology firms, and small high-tech businesses and universities. The Department cannot pull this technology from these sources without acquisition reform, because the current system limits access to these sources either directly, by throwing up regulatory barriers, or indirectly, by slowing the ability to purchase and employ new generations of technology in a timely way.

Privatization

The Department not only needs to do more business with commercial industry, it also needs to act more like commercial industry.

There are numerous examples of private sector companies turning to outside suppliers for a wide variety of specific, non-core goods and services. By focusing on core competencies, they have reduced their costs by lowering overhead and improved their performance.

Major opportunities exist for the Department to operate more efficiently and effectively by turning over to the private sector many non-core activities. For example, private sector

companies are already under contract to perform some commercial activities on bases around the world. This type of outsourcing can be expanded.

To implement this strategy, the Department has been systematically examining opportunities for privatizing, as well as reviewing both institutional and statutory obstacles to its full utilization. Early in 1996, work groups engaged in these efforts will provide reports on how privatization can be better used to lower DoD costs while enhancing its effectiveness.

CONCLUSION

In the uncertainty that has followed the Cold War, the United States has not only the opportunity, but also the responsibility to help ensure a safer world for generations of Americans. President Clinton has said: "As the world's greatest power, we have an obligation to lead and, at times when our interests and our values are sufficiently at stake, to act."

The Department of Defense is supporting American leadership in this new era. As the Department completes the transition to a post-Cold War military force, it has undertaken policies and programs to prevent threats to our security from emerging and to maintain well-trained, ready forces able to deter or respond quickly to a range of potential threats and seize opportunities.

The world has changed dramatically over the past few years, but one thing remains constant: a strong military force, made up of the finest American men and women, is the nation's best insurance policy. Each element of President Clinton's defense program supports this fundamental, indisputable fact.

Post Cold War Dangers



Cold War Threats

- Nuclear Holocaust
- Blitzkrieg by Warsaw Pact
- Third world proxy wars

Today's Dangers

- Proliferation of WMD
- Instability in Eastern/
Central Europe
- Ethnic/Nationalistic wars

The Three Lines of Defense

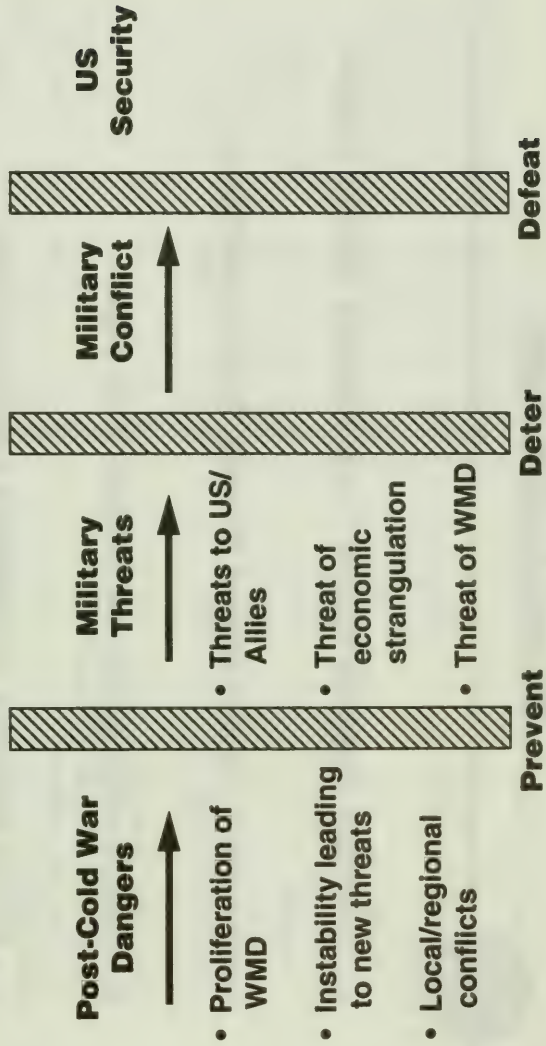


Figure 2

Preventive Defense

“Defense by other means”



- Reduce nuclear threat from Former Soviet Union
- Prevent new nuclear threats from emerging
- Encourage defense reform and CBM
- Build defense to defense relationships

Force Structure



	<u>Cold War</u> <u>Base 1990</u>	<u>Base</u> <u>Force</u>	<u>1997</u>	<u>Projected</u> <u>Goal</u>
Land Forces				
Army active divisions	18	12	10	10
Reserve Component Brigades	57	34	42 *	42 *
Marine Corps				
(3 Active/1 Reserve)	4	4	4	4
Navy				
Battle force ships	546	430	357	346
Aircraft carriers				
Active	15	13	11	11
Reserve	1	-	1	1
Navy carrier wings				
Active	13	11	10	10
Reserve	2	2	1	1
Air Force				
Active fighter wings	24	15.3	13	13
Reserve fighter wings	12	11.3	7	7

* Includes 15 enhanced brigades (equivalent to 5+ divisions)

Personnel

(End strength in thousands)



	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	<u>Change</u>	<u>Goal</u>
Active Military					
• Army	509	495	495	0	475-495
• Navy	435	425	407	-18	394
• Marine Corps	175	174	174	0	174
• Air Force	<u>400</u>	<u>388</u>	<u>381</u>	<u>-7</u>	<u>375</u>
Total Active	1,519	1,482	1,457	-25	1,418
Selected Reserves	946	931	901	-30	893
Civilians	865	841	807	-34	728

Military Personnel End Strengths (in thousands)



Drawdown 97 % complete
by end of FY 97

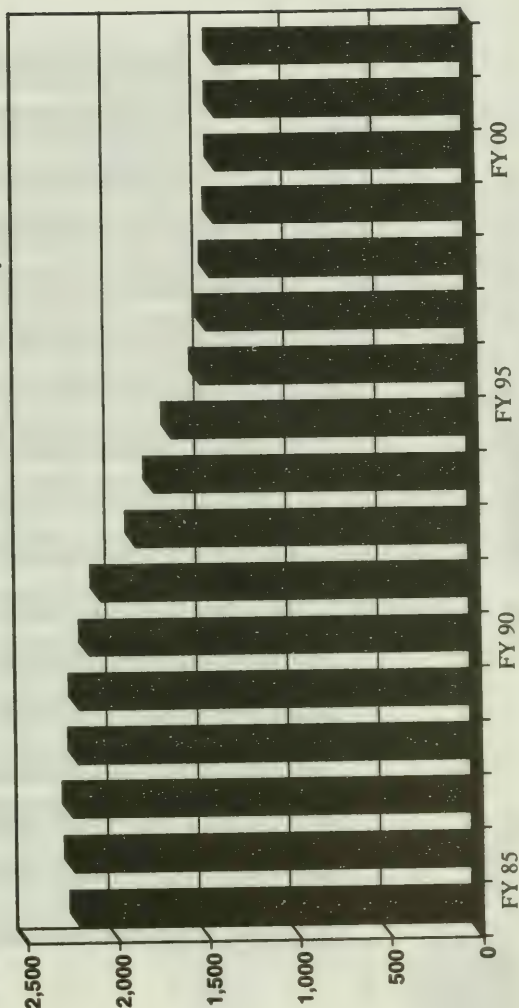


Figure 4b

Civilian Personnel End Strengths (in thousands)



Drawdown 90 % complete
by end of FY 97

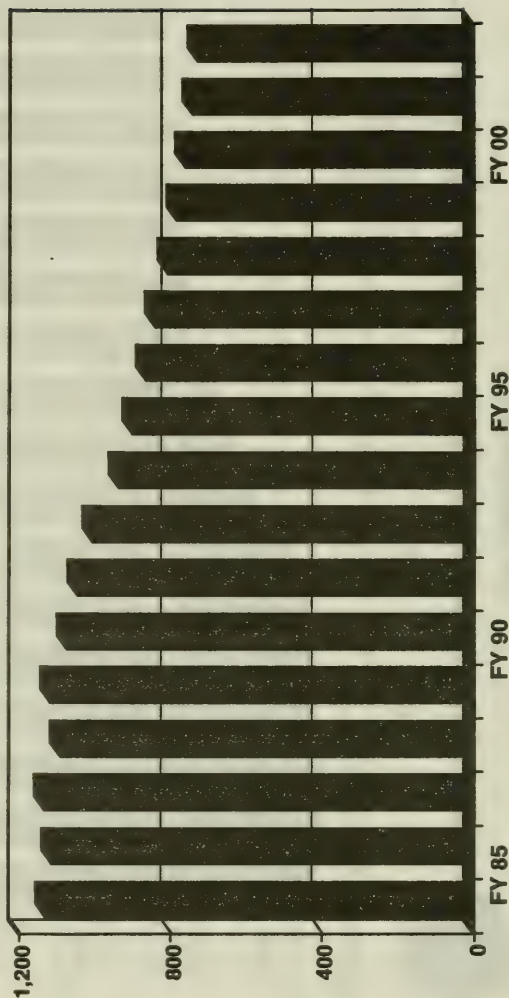


Figure 4c

Cooperative Threat Reduction



\$327M FY 97 REQUEST

Russia

830 Missiles removed
680 Launchers/bombers eliminated
500 mt HEU to be removed

START reductions ahead of schedule

Belarus

63 Warheads returned
63 Missiles returned

Denuclearization in 1996

Ukraine

1410 Warheads returned
80 Missiles removed
3 Launchers eliminated

Denuclearization in 1996

Kazakhstan

1410 Warheads returned
80 Missiles removed
80 Launchers eliminated
600 kg HEU removed

Nuclear weapon free

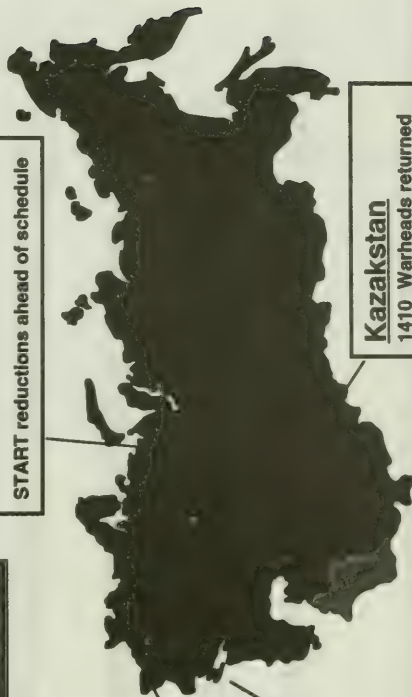


Figure 5

Countering the Proliferation Threat

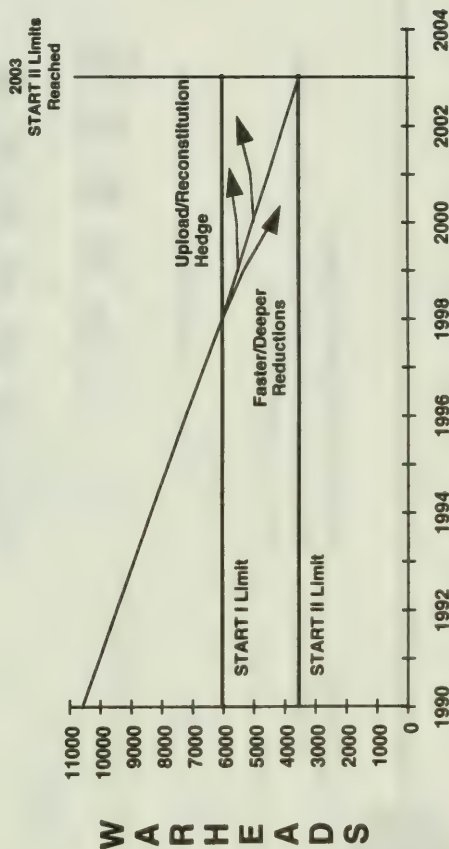


- Denuclearization of Ukraine, Kazakhstan, Belarus
- Project Sapphire, HEU Purchase Agreement
- Improved Warhead Security in Russia
- North Korea Framework Agreement
- Nuclear non-proliferation treaty renewal
- Export Controls Reform

Nuclear Deterrence



Nuclear Posture Review → Smaller, safer force
But nuclear deterrence still essential



Lead & Hedge: Protecting US options in an uncertain world

Figure 7

National Missile Defense



Threat:

Response:

Not now, but could emerge
Readiness for deployment in three years
\$2B over FYDP

Potential Deployed Capability



1st
Deployment
Option

Unfunded Deployment Options

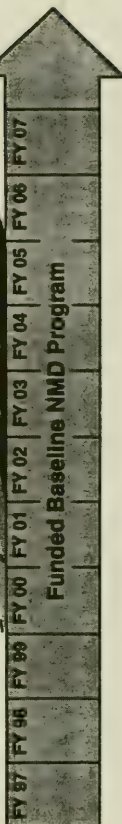


Figure 8

Strengthen NMD/TMD Programs

(Budget Authority in Billions)



	FY 1997		FY 98-01	
	Quantities	Dollars	Quantities	Dollars
• PAC-3	-	.6	535	1.9
• Navy Lower Tier	-	.3	-	1.2
• THAAD	-	.5	-	2.1
• Other TMD	-	.7	-	3.0
• NMD	-	.5	-	1.6
• Support Technology-	-	.2	-	.9

Figure 8a

Partnership States "Bridge to America"



EASTERN EUROPE



FORMER SOVIET UNION

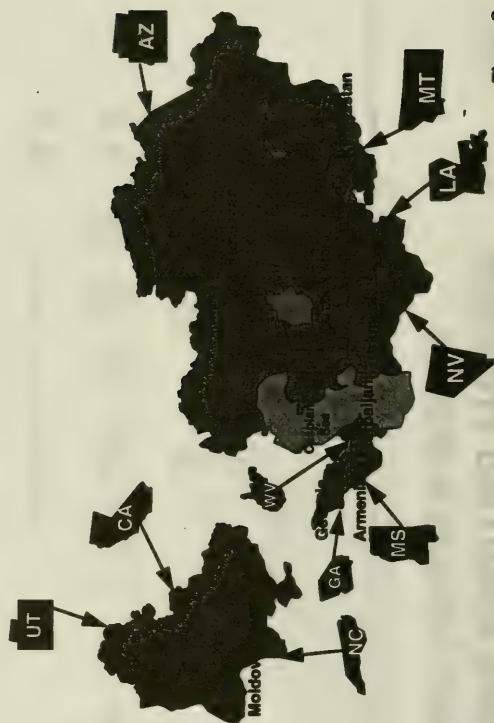


Figure 9

Protecting Readiness - Priority #1



- Unbudgeted contingency operations are a major readiness risk in FY 96
- Contingency operations funded in FY 97
- Robust O&M funding continues
- Readiness intensively monitored/managed
- Quality of life being enhanced

FY 1996 Contingency Operations

Incremental Costs/Financing

(\$ in Millions)



Contingency Operations

Southwest Asia	647.1
Guantanamo Bay	71.7
UN Mission in Haiti	89.4
Jordan Drawdown	51.0
Miscellaneous Other	10.8
Bosnia (IFOR and related operations)	1,948.1
Total FY 1996 Requirements	2,818.1

Financing

FY 1996 Appropriations	647.1
January 1996 reprogramming (Inflation savings)	991.0
Supplemental appropriations request	620.0
2nd reprogramming	(Remaining costs at time of submission)

FY 1997 Budget Major Contingency Operations

(\$ in Millions)



Southwest Asia	
Southern Watch	449.7
Provide Comfort	<u>140.4</u>
Subtotal	590.1
Bosnia	
IFOR ground operations	474.2
DENY FLIGHT	66.3
Able Sentry (Macedonia)	<u>1.2</u>
Subtotal	541.7
Total	1,131.8

O&M Dollars / Military End Strength

(Current & FY 97 Dollars)

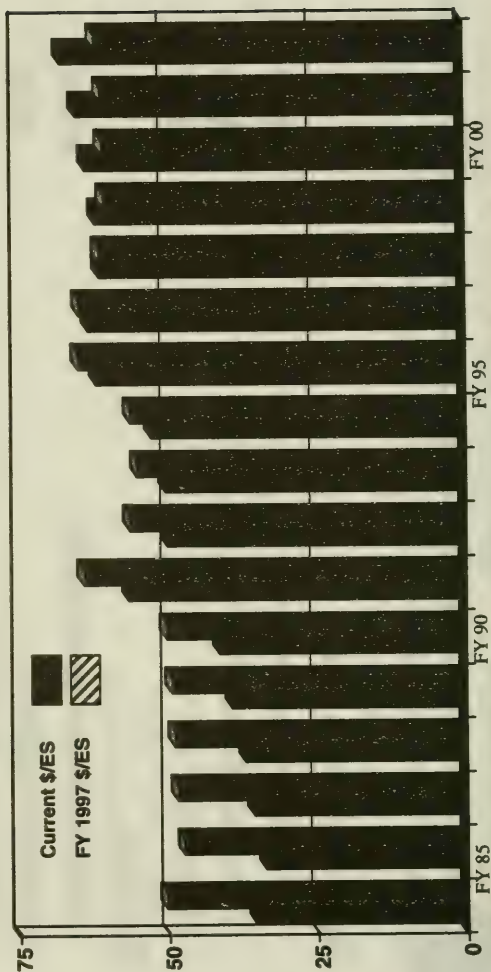


Figure 11

Quality of Life Initiatives in FY 97



Personnel Initiatives

- 3% military pay raise in FY 97 and 3.1% in outyears
- Maintain health care and commissary benefits

Family Housing

- Constructs/replaces 2,300 units & 13 support facilities
- Improves 4,100 units
- Provides \$20 million in the Family Housing Improvement Fund for private sector housing ventures

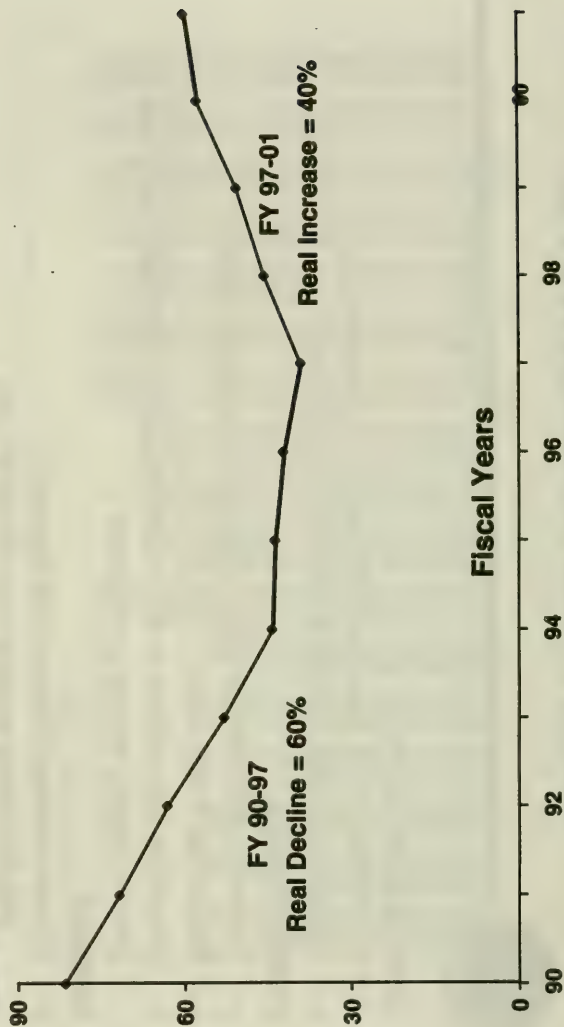
Barracks

- Constructs/modernizes 208 barracks
(48,891 living spaces from FY 97-FY 01)

Community Facilities

- Constructs/modernizes 5 physical fitness centers & brings child development centers to nearly 60% vs goal of 65% of requirements

DoD Procurement Program (\$ in Billions)



Average Ages of Selected DoD Weapons

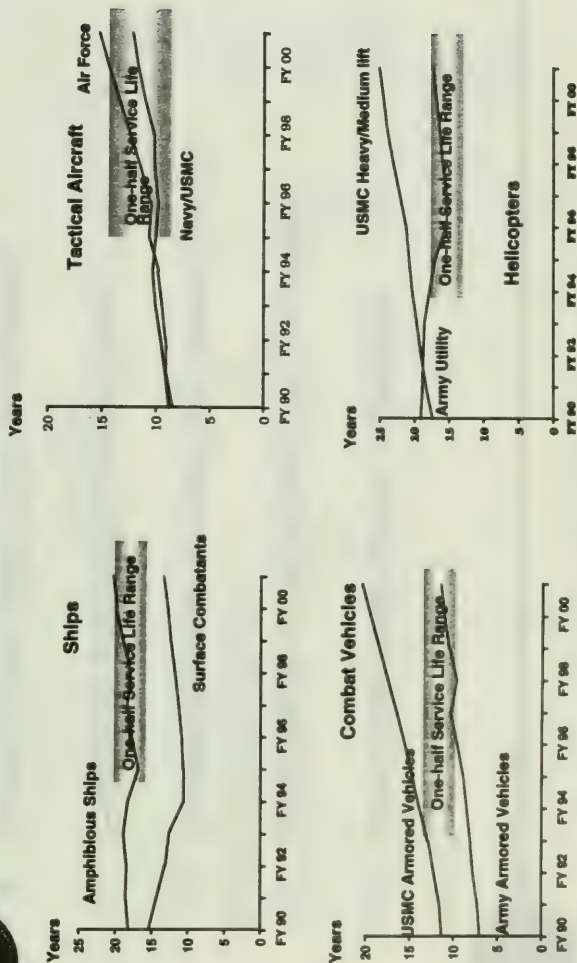


Figure 14

Weapons Modernization Strategy



- **Continue leap-ahead systems**
- **Accelerate cost effective upgrades**
- **Expand power projection investments**
- **Enhance battlefield awareness**
- **Strengthen NMD/TMD programs**

Continue Leap-Ahead Systems

(Budget Authority in Billions)



	FY 1997		FY 98-01	
	Quantities	Dollars	Quantities	Dollars
• F-22	-	2.0	40	11.1
• Joint Strike Fighter	-	.6	-	3.2
• F/A-18 E/F	12	2.6	150	14.3
• V-22	4	1.1	31	3.9
• NSSN	-	.8	2	7.5
• Comanche	-	.3	-	1.7

Accelerate Cost Effective Upgrades

(Budget Authority in Billions)



	FY 1997		FY 98-01	
	Quantities	Dollars	Quantities	Dollars
• M1A2	120	.3	600	2.5
• Bradley FVS	29	.3	388	1.4
• Truck SLEPS	-	-	5,859	.5
• Apache Longbow	-	.4	-	2.3
• F-14 upgrades	-	.2	-	.6
• AV-8B	10	.3	42	1.4
• B-1B	-	.3	-	1.1

Expand Power Projection Investments

(Budget Authority in Billions)



	FY 1997		FY 98-01	
	Quantities	Dollars	Quantities	Dollars
• Carrier Replacement	-	-	-	.6
• C-17	8	2.3	52	12.9
• LPD-17	-	-	6	4.6
• Sealift	2	1.0	4	2.4
• DDG-51	4	3.4	11	11.8
• B-2	-	.6	-	1.4
				55

Figure 15c

Enhance Battlefield Awareness

(Budget Authority in Billions)



	FY 1997		FY 98-01	
	<u>Quantities</u>	<u>Dollars</u>	<u>Quantities</u>	<u>Dollars</u>
• UAV	-	.3	-	1.2
• Global Broadcast System	-	.2	-	.3
• Joint Stars	2	.7	8	1.9
• SBIRS	-	.3	-	2.6
• MILSTAR/Follow-on	-	.7	-	2.8
• Cooperative Engagement Capability (CEC)	-	.3	-	.7
• AWACS	-	.3	-	.5
• Army digitization	-	.4	-	1.3

DoD Topline

(\$ in billions)



FY 97 FY 98 FY 99 FY 00 FY 01 FY 02

Budget Authority

FY 1997 Topline	242.6	248.1	254.2	261.6	269.6	276.6
% Real Growth	-6.0	-0.2	0	+0.5	+0.6	+0.2

Outlays

FY 1997 Topline	247.5	243.9	246.5	253.9	256.6	264.9
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DoD Budget Comparisons

(Budget Authority in Billions)

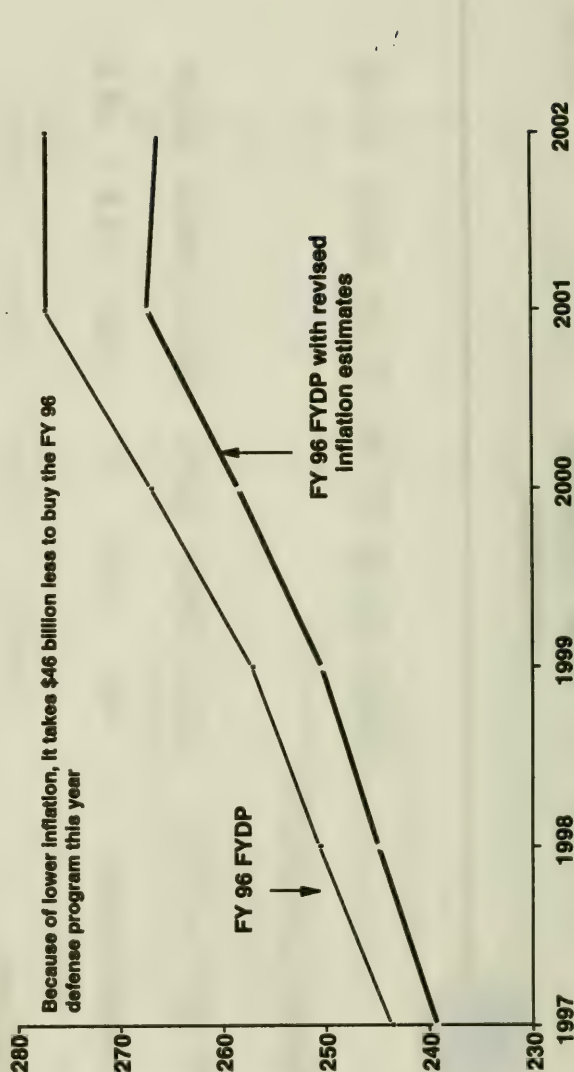


Figure 16a

DoD Budget Comparisons

(Budget Authority in Billions)

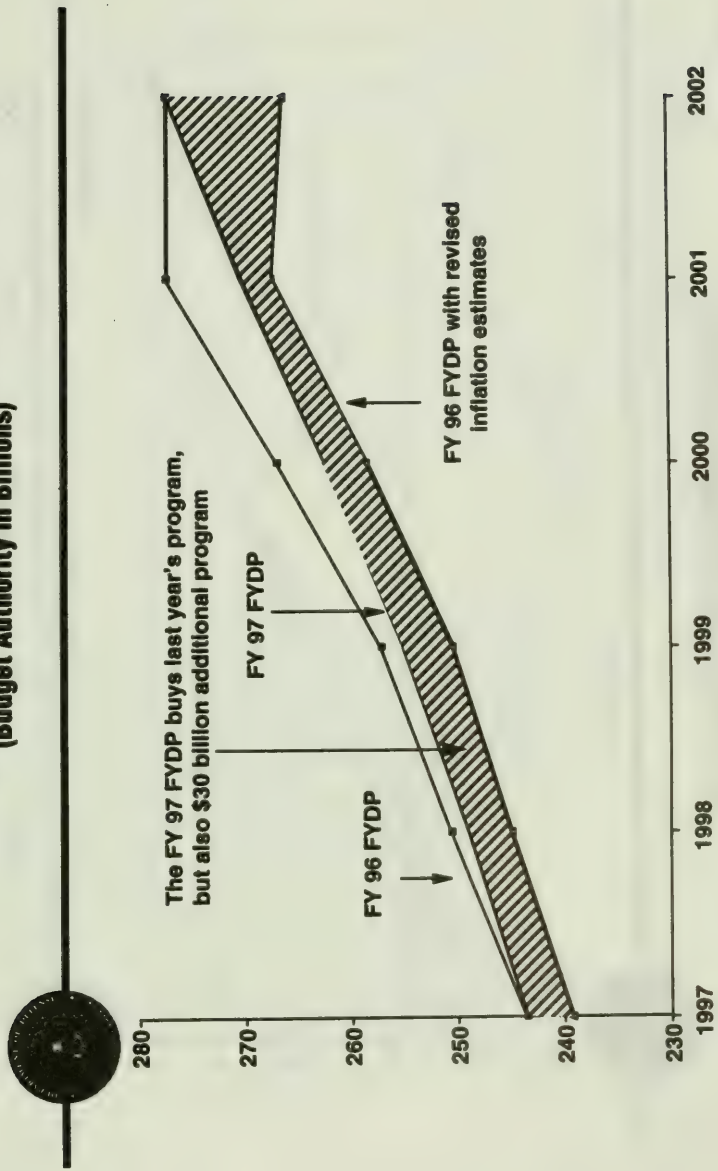


Figure 16b

Defense as a Share of GDP

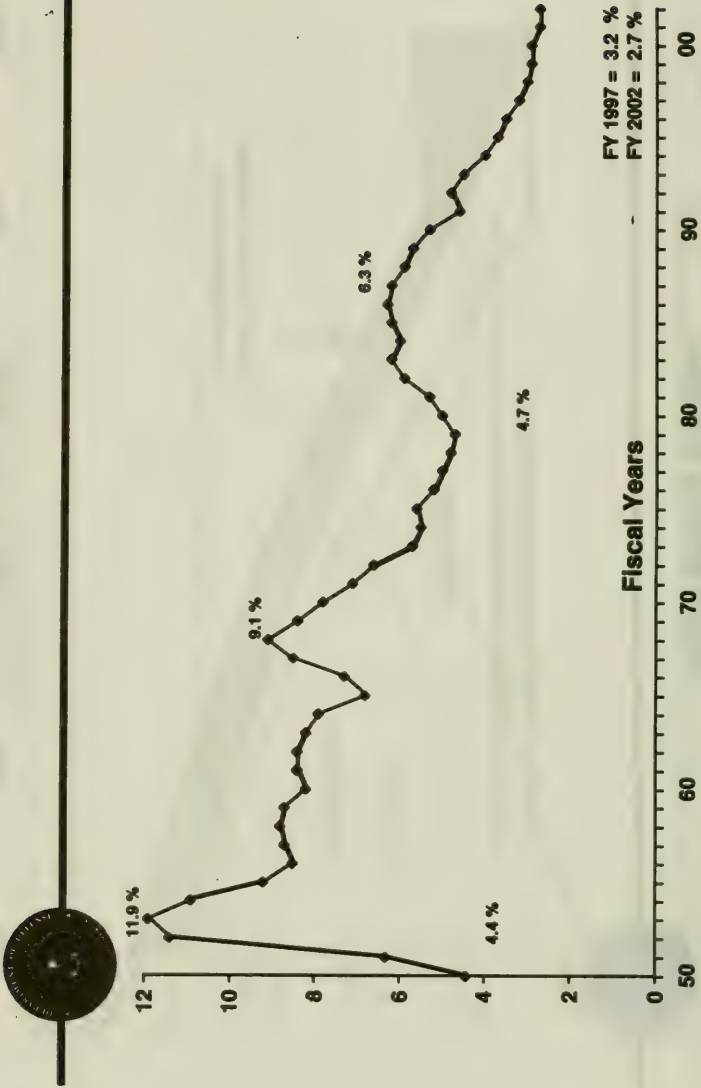


Figure 16c

BRAC Funding (\$ in Billions)

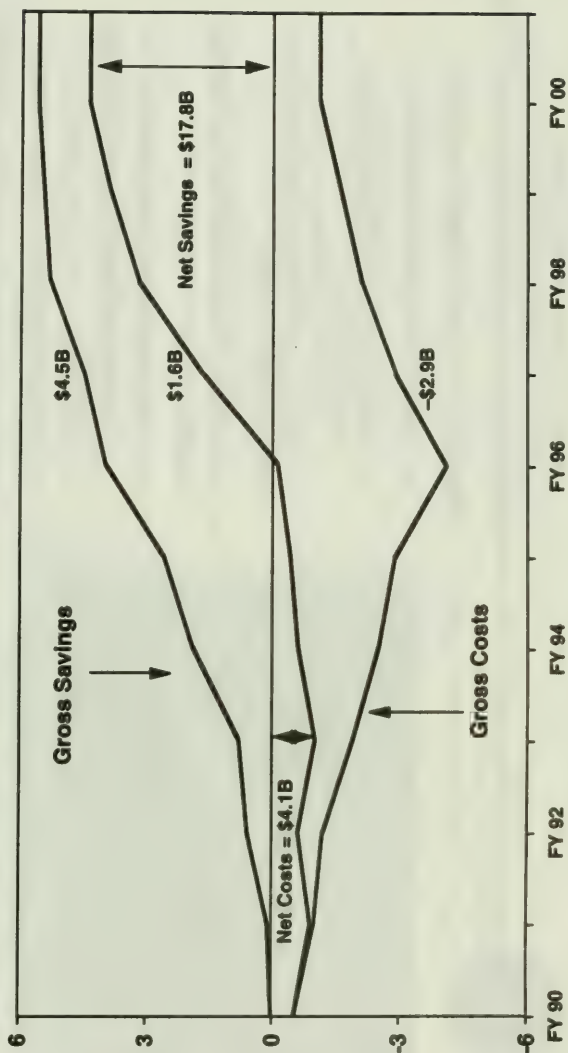
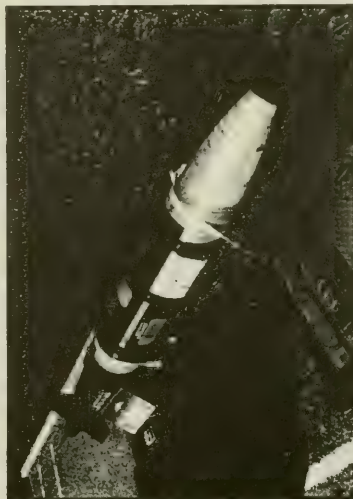


Figure 17

JDAM



- 1994 Designation as Pilot Program
 - Use of Commercial Practices
 - Exemptions from Govt Unique Requirements
- Avg Unit Cost Reduced from \$42K (1st 40,000 units) to \$14K
- Accelerated Production/Buy to Budget Strategy
 - Unit Cost Savings Applied to Procure as Many Units as Budget Allowed
 - 17% More Units - At Less Cost
- Cost Avoidance in Years Beyond FYDP Anticipated at \$2.6B
 - Available for Other Uses

**Cumulative Savings and Cost
Avoidance Over Life of Program
\$2.9B**

SMART-T



- With Single Contractor Early FY92 Initial Estimate = \$790M
- Introducing Competition Resulted in a FY92 MS II Revised Estimate of \$660M
- Acquisition Reform Initiatives Such as:
 - Specs/Standards Reform
 - Reduced Data Rqmts
 - Failure Free Warranty
 - Statutory Changes re: Joint Programs Reduced Lead Service Risk -- Implemented Shared Learning

**Cumulative Cost Avoidance From
Inception to Present
\$540M**

- Resulted in a FY95 Estimate of \$550M
- Further Competitive Pressure and Stable Funding Ultimately Resulted in FY96 FFP Contract for \$250M

Figure 18a



**Cumulative Savings and Cost
Avoidance Over Life of Program
\$5.3B**

- **Competition from Non Developmental
Airlift Aircraft**
- Plus*
- **Multi-Year Procurement of Aircraft**
- Plus*
- **Multi-Year Engine Procurement -- 10%
Unit Cost Reduction**
- Resulted in*
- **\$5.3B Anticipated Savings and Cost
Avoidance Over Life of Program**
 - **\$3.1B FY97-01**
 - **\$1.3B FY02-03**
 - **\$0.9B From Multi-year**

The CHAIRMAN. General.

General SHALIKASHVILI. Mr. Chairman, I, too, would ask that my written statement be entered into the record.

The CHAIRMAN. Without objection.

General SHALIKASHVILI. It seems that each time I have appeared before you these past 2 years I have begun by describing how busy these past years have been, and today will be no exception.

Let me start with a description of some of the operations we have been involved in, then offer my views on the issues that I believe merit your emphasis in your deliberations on the 1997 budget.

Among the operations involving our forces there have been two recent milestones. Two months ago at Guantanamo, we conducted a closing ceremony for Task Force 160, the same task force that for the previous 20 months so superbly handled the delicate refugee crises in the Caribbean. In that time we plucked some 60,000 refugees out of the ocean, built 15 huge camps to house, fed and cared for them and provided safe and humane conditions until the refugees were either returned to their homelands or were allowed to enter the United States. Throughout, we handled these many thousands of refugees with great compassion and understanding, administering to their needs with unequalled efficiency. Their mission now has been accomplished. The camps today are closed, and the task force has returned home.

The second milestone occurred on 7 February of this year when President Preval was inaugurated as President of Haiti and President Aristide stepped down. This, as you know, was the first time in Haiti's history when power passed from one freely elected president to another. The force we sent into the troubled nation in September 1994, is now on their way home, having accomplished their mission superbly, on time and with utmost care for the safety of our troops.

We developed a workable plan. We did not deviate from that plan or make mission changes in midstream. The results speak for themselves. From the original 23,000, there are today only 800 left. By 15 April, all of the remaining United States forces will be out of Haiti, and we will shift to periodic engineering exercises such as those that we conduct with a number of other countries.

As you so well know, in December we began the deployment of our forces as part of the NATO operation to oversee the peace accord in Bosnia. Now, nearly 80 days into this operation, I believe our presence has been pivotal in both forging the coalition on the ground and in helping keep the momentum going toward the direction of peace. We have helped oversee the withdrawal of warring factions from the zones of separation and the separation of military forces and their withdrawal from the territories to be transferred.

While there are still problems to be overcome, to be sure, such as pockets of banned foreign forces, the full exchange of all prisoners of war and the occasional intransigence by the various factions, overall it is proceeding better than we had a right to expect.

What is worth noting once again, just as we saw in Haiti, has been the great benefit of thorough preparation, adhering to the mission we set out to perform, and the high readiness of our forces. Our commanders correctly identified the threats they would face—mines, lone snipers, the weather, and the dangerous road condi-

tions—and through a combination of sound preparation and good training they have so far minimized the casualties that could have resulted.

From my three visits since the operation began, I have seen nothing but superb leadership, high morale, and complete determination on the part of the roughly 20,000 men and women in Bosnia itself and the several thousand men and women in surrounding countries who are supporting our troops in Bosnia.

Our challenge now, I submit, is to remember that we still have 9 months left to go and that we must ensure that our forces are as ready, as alert, and as resolute on the last day as they were on the first. That is the best guarantee I know of to assure success of the mission and the safety of our force.

Now, there are also some 23,000 service men and women deployed today in the Persian Gulf region preserving regional peace and stability and enforcing the U.N.-ordered sanction against Iraq, protecting the Kurds in the north and the Shiites in the south and deterring further Iraqi aggression.

We are involved in a series of operations to accomplish these purposes, even as we are continuing our efforts to improve our ability to respond to unexpected threats in the region both by working with our regional allies to strengthen the readiness of our coalitions and proceeding on course with our prepositioning programs. Here it is worth noting that, since the gulf war, we have made significant improvements in this vital region in our readiness and ability to respond rapidly to any aggression.

On the other side of the world, in Korea, the 36,000 men and women who are stationed there have remained vigilant and aware of the deteriorating conditions to their north as a potential for instability fueled by food and energy shortages continues to increase. Our troops in Korea have not lost sight of the fact that theirs remains the most dangerous corner of the world nor of the need to continually improve our deterrence and defensive postures.

Here again, as I have seen during my visits to Seoul and to the DMZ, between our force modernization, our efforts at increasing interoperability with South Korean forces, and our pre-positioning programs, over the past 2 years we have made substantial strides in improving our deterrent and defensive postures in South Korea.

As you know, the operations I have just described have only involved a small part of our overall force. The rest have been actively engaged in other operations that I did not mention here, in training and in maintaining their readiness to respond to their wartime missions.

But there is an important point to be made about the past year's operations and the state of our forces. What we have seen is a series of most successful military operations. There have been none of the kinds of problems that we experienced in the 1970's and early 1980's. It is, above all, a tribute to our people, to the superb leadership in the field, to the courage and skill and dedication, but it is also due to the high readiness of our force.

Two-and-a-half years ago, when I became Chairman, I asked that we keep readiness our top priority, that we not allow it to erode or atrophy as has happened so often in past drawdowns. The benefits are clearly evident, and I thank you for your support.

As Secretary Perry just mentioned, 1997 marks, by and large, the end of the massive drawdown we began when the cold war ended. For once, we have done it right. We have successfully broken the cycle of feast and famine. We have preserved the quality of our people; and, judging by last year's recruiting figures, where over 96 percent of new recruits were high school graduates, we are continuing to attract and retain the kind of men and women America needs in uniform.

The hidden benefit of the drawdown was that it allowed us to discard the oldest equipment in inventories and to redistribute the newest and most modern equipment within our remaining structure, in effect leaving a new, most capable inventory that we have had in many decades. In short, we have been through the deepest drawdown since the end of the Vietnam war without undermining the excellence of our force.

That said, you all know that we preserved our readiness and force structure at the expense of modernization and equipment replacement, but we have been able to enjoy a procurement hiatus like this, but our procurement account has now actually shrunk to just below \$40 billion, the lowest level since before the Korean war. As I testified in past years, this procurement hiatus was acceptable but, of course, cannot be sustained indefinitely.

We are now fast approaching the time when we will no longer be able to rely on what we built in the 1980's, and so we must commit ourselves to a sufficient procurement goal, a goal I assess to be approximately \$60 billion annually, if our force is to remain as ready tomorrow it is today.

Now while I would clearly like to see such a goal set sooner rather than later, it is more important to me that we set such a target as this budget does, for I feel strongly that if we don't commit ourselves to a \$60 billion procurement target we will never meet it. We have the structure we need through the end of the century and into the next. We have a strategy that is the right strategy. These past several years have shown that having the capability to fight and win two nearly simultaneous regional conflicts is not merely a hedge against the unexpected, it is the right insurance against the world we are in.

But we must also ensure that we now protect the structure and that we enhance it. Specifically, we must continue to improve our strategic lift improvements. I think that we are making good progress in improving our airlift, and this year we must pass the multiyear procurement for the C-17 so that we can stay on track. I am more concerned about our continuing failure to keep up with our sealift objectives, and I hope that we can use this year to get back on track.

As Secretary Perry mentioned, we must remember that our pre-positioning initiatives are an essential part of our strategic lift solution; so I ask that you continue to support them as well. Now that we are more and more a power projection force, strategic air and sealift complemented by our pre-positioning initiatives must be our No. 1 war-fighting priority.

We also need to continue with our improvements in command, control, communications and computers, and in intelligence surveillance and reconnaissance systems.

We must also maintain our emphasis on the readiness of the 15 enhanced National Guard brigades, and we must continue to field the long-range precision munitions and systems that give us such a decisive edge.

The challenge, of course, is to maintain readiness and our force structure, procure the enhancements to our forces I just mentioned, and to get on with recapitalization of the force, all within the current defense top line.

I agree that acquisition reform and BRAC savings will move us in the right direction, but I also believe that we must get on with privatization, outsourcing, not be afraid to take another look at further reductions of our infrastructure, and continue to find savings in reduced redundancies and increase jointness. We need your support to make the hard choices and changes to make these initiatives work, and I particularly ask for your support where changes in law will be required.

There is, of course, also the need for the CINC's, the chiefs and I to continue to make hard choices and to use jointness to create new efficiencies in the way we fight. As I described in my written statement, we have devised in the past 2 years new joint processes to examine the most efficient and effective ways to improve joint war fighting, to look for and reduce unnecessary redundancies and combat systems that have marginal benefits so that I can offer the Secretary recommendations from a joint war fighter's perspective on programmatic and budgetary issues.

Through the Joint Requirements Oversight Council and its supporting processes, I have already, in the past year, offered specific recommendations to the Secretary; and I intend to continue to strengthen this process. We have today, as you have already heard and which I believe firmly, the finest and the most ready military force in the world. If we are able to bring our procurement account to approximately \$60 billion per year and are able to keep the same top line, we should be able to assure ourselves the same ready force tomorrow.

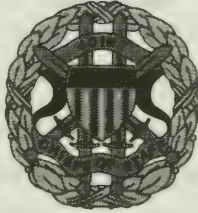
We have just engineered the most successful postwar drawdown in our history. We have protected our readiness, our ranks continue to be filled with men and women who are the envy of every military in the world, and we have simultaneously accomplished a series of successes in one operation after another.

With that, thank you very much for your attention. I believe Secretary Perry and I are now ready to answer your questions.

The CHAIRMAN. Thank you very much.

[The prepared statement of General Shalikashvili follows:]

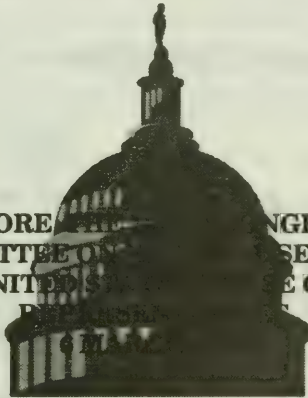
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 House of Representatives



POSTURE STATEMENT

BY
GENERAL JOHN M. SHALIKASHVILI
 CHAIRMAN OF THE
 JOINT CHIEFS OF STAFF

BEFORE THE CONGRESS
 COMMITTEE ON NATIONAL SECURITY
 UNITED STATES HOUSE OF

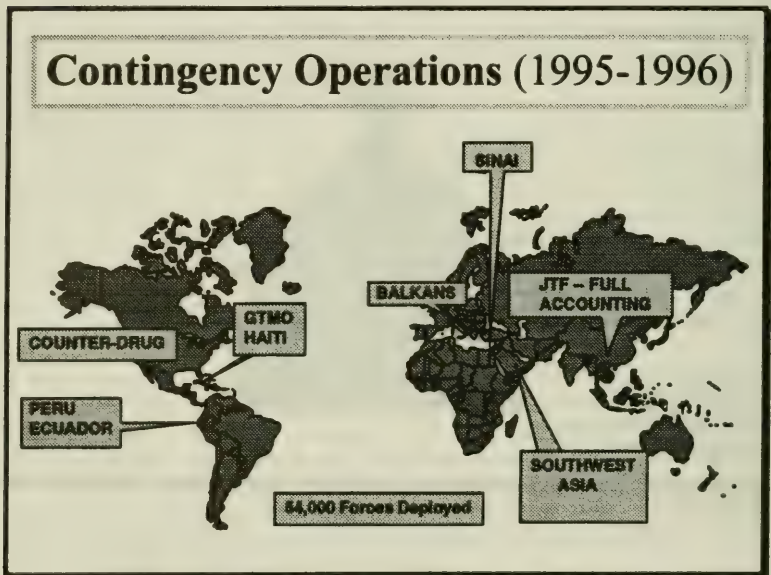


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**Chairman of the Joint Chiefs of Staff
Statement to Congress
March 1996**

Mr. Chairman, members of the committee.

It is a great pleasure and a great honor to be here today representing America's men and women in uniform. It seems that each time I've come before you for these hearings, I've begun my testimony with a description of how very busy the past year has been for our forces and how very well they've performed. Today will be no different.



OPERATIONS

During the last year, our forces have remained engaged in a sizable number of simultaneous operations spread across the globe. Today, there are approximately 54,000 of our men and women in uniform and around 1,300 defense civilians committed to overseas contingencies. For those who've been deployed for these missions, and for their families, it has been often stressful, arduous and demanding. Yet they have, and they continue, to perform superbly. We owe them our gratitude for, despite a high operations tempo, the readiness of our units and the morale and enthusiasm of the troops have stayed very high. They make it impossible to look back at this year without feeling an enormous sense of pride.

Among the past year's efforts, there were two particularly notable milestones. Two months ago, I attended the formal closing ceremony for Joint Task Force 160 -- the same unit that for the previous 20 months handled the migrants that poured out of the dictatorships in Haiti and Cuba; that plucked over 60,000 men, women and children out of the dangerous Caribbean waters; that built 15 huge camps to house, feed, and care for them; and that provided safe and humane conditions until the migrants were either allowed to enter the United States or returned to their homelands. I could not be more proud of the way our men and women performed this long and uniquely difficult mission. They

handled these many thousands of migrants with compassion and understanding while administering to their needs with unequaled efficiency. Today, their mission completed, the camps have been closed, and the men and women of the Task Force have returned home.

The other milestone occurred this past month when the second democratically-elected President of Haiti took office, and shortly thereafter we began the redeployment of our forces -- right on schedule. We entered Haiti in September 1994 with a sound military plan, we followed that plan, and we accomplished all that was asked of us. The rapid introduction of American military forces stopped the cycle of violence, halted the flow of migrants, and created a secure and stable environment which made possible the legislative and presidential election process. By 31 March 1995, in part due to the recruitment and training of a new Haitian police force, the situation had so stabilized, that American forces could be greatly reduced, and the Haitian operation was turned over to the United Nations.

Despite some initial problems, legislative and presidential elections were conducted and, on 7 February, for the first time in Haiti's history, an elected president turned over his office to another freely elected president. While a smaller United Nations presence will remain in Haiti a while longer, American units will continue to return home and all those who served with the United

Nations in Haiti will be home by 15 April of this year. All that will continue will be small, periodic, engineer exercises, like those we conduct with a number of our other Southern neighbors.

Starting in December, we became actively engaged in the NATO operation in Bosnia. Over the course of two months, we deployed nearly 20,000 active and reserve military personnel into Bosnia to join a coalition of some 30 other countries to help carry out the military aspects of the Dayton Peace Accord. Additionally, nearly 8,000 support forces were deployed to countries around Bosnia.

Now, nearly 80 days into the operation, our presence has been pivotal in forging the coalition that is helping to manage the peace and in brokering the on-the-ground implementation of the Accord: Withdrawal of the warring factions from the zones of separation; the release of prisoners of war; the separation of military forces; and their withdrawal from territory to be transferred. While there are still problems to be overcome, such as remaining, small pockets of banned foreign forces, completing the release of prisoners of war, and occasional intransigence by the parties, overall compliance has been relatively good.

As I have witnessed on each of my three trips to Bosnia, our troops are performing extremely well and morale is high. Much of this is due to outstanding leadership, diligent preparation, and the impressive strides being made in the

quality of life for our forces through extensive base camp preparation, the opening of AAFES store outlets, and routine mail and Stars and Stripes newspaper deliveries. From the beginning, we correctly perceived that mines, the lone sniper, and severe weather and road conditions would be our major enemies. We were correct, and the combination of smart precautions and good training have gone a long way to minimizing the numbers of casualties .

Our forces operating in Bosnia were very well prepared and rehearsed before they were allowed to deploy. Their mission and rules of engagement have been properly framed, and they have established a strong, controlling presence between the former warring parties. More than that, they have also been instrumental in forging an historic coalition. Just a few years ago, few would have imagined that it would have been possible to put together a force including NATO nations, Central Europeans, and Russians, striving to achieve a common purpose. Here again, sound preparation on the part of our forces has paid off well.

Our challenge now is to remember that we still have over 9 months to go, and we must ensure our force is as ready, alert, and resolute on the last day of this mission as it was on the first. That is the best guarantee for success of the mission and the safety of the force.

But these have not been the only operations involving our forces. We have over 23,000 service men and women deployed in the Persian Gulf region to preserve regional peace and stability, to enforce UN-ordered sanctions against Iraq, and to deter further Iraqi aggression. We have added prepositioned equipment to the region to support brigade-sized units; periodically deployed an Army mechanized task force for training; and for the first time ever, conducted a no-notice deployment of an Air Expeditionary Force into the region. We are also maintaining a very active joint and multinational exercise program which includes participation from carrier battle groups, special forces and amphibious ready groups with embarked Marine Expeditionary Units operating in the region. Farther north in Turkey, we continue to work with our coalition partners to enforce the No-Fly Zone and to oversee the humanitarian aid program in Northern Iraq.

In addition to this, the Army continues to provide forces in support of the 11-nation Multinational Force and Observers on the Sinai Peninsula, as specified in the Camp David Accord. Currently, nearly 1000 US servicemembers are deployed as part of the Infantry Battalion Task Force and Logistics Support Element. Of note, the last infantry battalion rotation for 1995 was formed, for the first time, as a composite unit of Active Duty and Reserve Component personnel. This initiative proved highly successful and will be considered for future rotations.

In Korea, some 36,000 US forces remain ready as political, cultural, and economic conditions continue to deteriorate in the North. The increasing instability in North Korea, fueled by severe food and energy problems, requires constant vigilance and further complicates our indications and warning capability. Force modernization efforts continue to focus on increasing interoperability between ROK and US forces and increasing the theater's counterbattery fire capability. As well, all armored elements of the Korean Prepositioning Brigade set are in place. My recent visits to Seoul and the DMZ have reaffirmed to me that our efforts of the last two years to strengthen our defensive posture have been timely, appropriate and most effective.

In the Southern Hemisphere, US forces were engaged in defusing one conflict, while simultaneously supporting efforts to reduce the traffic of drugs. Hostilities erupted in January 1995 in the region along the Peruvian -Ecuadorian border, and in March 1995, four countries -- Argentina, Brazil, Chile and the US - responded to a request to provide military observers to assist in the monitoring of a cease-fire and the withdrawal of forces. We presently have 61 US military personnel and four helicopters participating in this mission. There have been no cease-fire violations since September 1995, while Peru and Ecuador continue to pursue a diplomatic solution to the border dispute.

While the Peru-Ecuador dispute was on-going, USSOUTHCOM organized and initiated the most extensive counterdrug surge operation ever aimed against the narco-traffickers air bridge between Peru and Colombia. In cooperation with allied nations and law enforcement agencies, we focused our detection and monitoring assets on disrupting and hindering drug trafficking air operations. The results were impressive -- overall air activity decreased significantly and cooperation between allied nations as well as the interagency process improved noticeably. The successes were significant enough to warrant USSOUTHCOM to plan a follow on operation aimed simultaneously at riverine, maritime, land, as well as air drug traffickers.

READINESS

Our success in these many recent military operations is a testament to the readiness of our forces. When I became Chairman, I asked to make and keep readiness our number one priority. This has been done and the benefits have been, and remain evident in every one of these operations. That said, I ask that you continue your support for the readiness of the force, even as the Chiefs and I are redoubling our efforts to ensure that potential lapses in readiness are detected before they become problems.

We have introduced a new way of looking at readiness. It includes the traditional measures that ensure individual battalions and squadrons and ships

are manned, trained and equipped for mission success. But, in addition to that, we have added a critical link to how we look at joint readiness--the theater commander's ability to integrate and synchronize his forces and capabilities into an effective and cohesive fighting team.

The system by which we look at unit and joint readiness centers on a monthly report by Services, Unified Commands, and Department of Defense Combat Support Agencies. We ask them to assess their readiness to conduct day-to-day operations as well as the most demanding aspects of executing our National Military Strategy. Participants also forecast their readiness over the next 12 months. In addition to looking at specific units, we assess broad functional areas like mobility, intelligence, communications, and logistics.

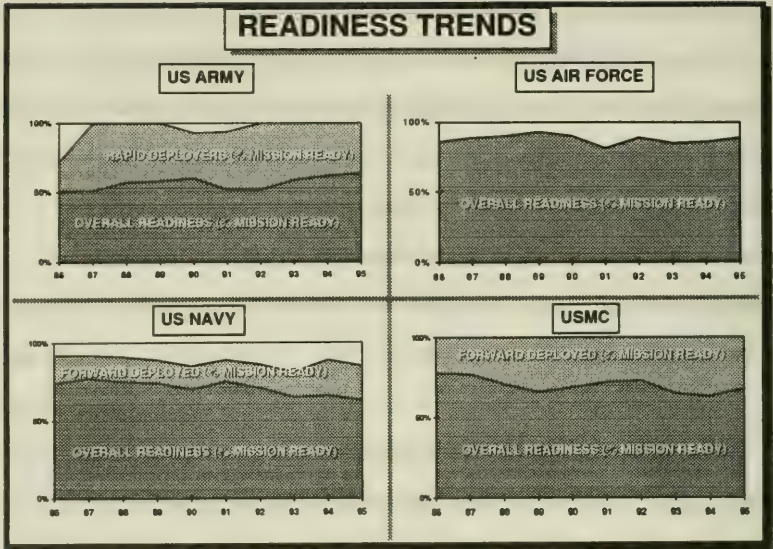
This Joint Monthly Readiness Review has been up and running for a little over a year. To complement this, I have directed the development of a comprehensive readiness information management system to integrate the existing and developing readiness tools of the Services and CINCs. It will provide easily accessible and timely information for all users over the newly-activated Global Command and Control System.

Our Joint Exercise and Training program continues to be a readiness multiplier. Joint simulation efforts are providing innovative opportunities to

stress our battle staffs while enhancing the overall utility of joint exercises for every participant. I am continuing to work with the CINCs to further focus our joint training efforts on key readiness challenges, while taking advantage of opportunities to leverage technology to conserve our training resources. This emphasis on readiness helps ensure that the men and women who have dedicated their lives to our nation's defense have the resources and training they need to do the job. It also ensures that their commanders can raise red flags and take quick action when called for.

We are also continuing to enhance our long-term readiness through our education system. Joint education now starts before officers are commissioned and continues throughout their careers. Increased emphasis on joint doctrine, multinational operations, and systems integration provides the CINCs a more capable, adaptive force.

Finally, the new reporting systems provide us the vital readiness information needed to make timely decisions on resource allocation and force commitment. All these efforts, and others, have helped keep readiness at the consistently high levels maintained over the past ten years, as shown on the chart below.



Although readiness trends remain strong, we must maintain a vigilant watch. A major challenge to near-term readiness is how to use the unique capabilities of the Armed Forces to advance US national interests in peacetime, while maintaining our readiness to fight and win this nation's wars. We are getting much smarter at this and at anticipating areas of stress before they become readiness problems. To that end, we are incorporating better the significant capabilities that reside in our reserve forces. We are continually looking for ways to conduct wartime mission training even while our forces are deployed to real-world operations. We are closely managing those low density,

high leverage capabilities -- including intelligence, mobility, and support assets-- needed to execute the full range of our military missions.

I must point out, however, that readiness is a fragile commodity. Once the intricate processes of manning with quality personnel, and equipping and training units are disrupted, recovery often requires significant time and resources. That is why maintaining readiness is critically dependent on timely and full reimbursement of costs associated with unplanned contingency operations.

Thanks to your support, and the unyielding care and concern and support of the American people, I can report to you that ours is the most ready force in the world today. Which leads to the true source of our successes over the past year -- great people and our strong and continued commitment to them and their families. Readiness is inextricably tied to the quality of life we provide for these outstanding men and women in uniform and their families.

PEOPLE

With regard to quality of life, the Joint Chiefs, CINCs, and I have revalidated the central importance of our "Top Four" priorities in support of our people, elaborated in the following.

Quality of Life Concerns

- **Pay**
Maintain fair and adequate compensation
- **Retirement**
Protect the retirement system
- **Medical**
Quality medical care through TRICARE
- **Housing**
Safe and affordable places to live

Adequate and fair compensation, a stable retirement system, steady and dependable level of medical benefits, and adequate housing, especially outside CONUS, each require special attention. The recent trend of full funding for the maximum allowable pay raises has been welcome. The Secretary's decision to increase funding for military housing, including efforts to increase barracks support, pursue housing privatization initiatives, and boost Basic Allowance for Quarters, when coupled with other policies in support of our "Top Four," are helping to maintain the quality of life of our personnel and their families.

The quality of recruits in our four Services remains high. Last year, 96% of our recruits were high school graduates. We must continue to keep this high standard even as we face increasing recruitment challenges in the years ahead; thus, your support of the Services' recruiting budgets is essential. It goes without saying that protecting the "Top Four" Quality of Life priorities also greatly enhances our recruiting and retention efforts.

FORCE STRUCTURE

Forces	Year	
	End of Cold War FY 1990	FY 1997
Army		
Active Divisions	18	10
Reserve Component Brigades	57	42
Navy		
Aircraft Carriers	15/1	11/1
Navy Carrier Wings	13 / 2	10 / 1
Ships	546	357*
Air Force		
Active Fighter Wings	24	13
Reserve Fighter Wings	12	7
Marine Corps		
Divisions	3/1	3/1

* Endstate goal is 346 Ships

As the above chart shows, the drawdown, which has been ongoing since the end of the Cold War, is nearly complete. The manner in which this drawdown has been managed and executed is a real success story. We've

stayed on a steady, controlled glidepath, adjusting where we had to, and ensured that those measures most critical to the health of our force were properly protected. Every important indicator of military excellence remains strong -- readiness is high, the quality of our people and their morale remains superb, and our force structure, despite deep cuts, has been reduced with minimum instability and turbulence.

We have broken the cycle of military decline that has followed every conflict in this century. Making this success all the more impressive is that we accomplished this drawdown without missing a beat, while at the same time, engaging in a wide range of contingencies and operations.

The experience of these past few years has fortified our confidence that the force structure we will have at the end of the drawdown will be what we will continue to require during the remainder of this decade and into the next century. Our enduring force structure requirements are based on our tasks: To prevent threats to our interests from arising; to deter those threats that do emerge; and to defeat those threats by military force, should deterrence fail.

The United States is a global power, with farflung, vital security interests in Europe, Asia, the Middle East and Persian Gulf, and important interests on nearly every continent. Day-to-day military engagement with our friends and

allies through a combination of forward deployed and overseas-based US forces in exercises, exchanges, visits, and force presence worldwide will remain an essential element of our strategy to prevent threats to our interests from arising.

Ultimately, protecting our interests will remain dependent on preserving sufficiently strong deterrent capabilities to handle both today's known, near-term threats, and those that could materialize from a more uncertain and rapidly changing world than we have known for many decades. Managing that uncertainty has led us to modify our Cold War approach of maintaining a threat-based force, towards a capability-based approach that ensures we protect the balance to handle today's real threats, as well as tomorrow's equally real possibilities.

First and foremost, that means we must preserve a robust triad of nuclear forces -- the backbone of deterrence. Currently our nuclear forces are within START I limits, but we have planned our future nuclear force to achieve START II limits, after the treaty is ratified and implemented by the Russians. The shape of the remainder of our forces are based on the need to fight and win two, nearly simultaneous regional conflicts. Just looking back at the past few years, when we have several times found ourselves in a state of heightened tensions with North Korea and Iraq, our need to preserve this capability could not have been shown more clearly.

But it would be a mistake to think of this capability as contingent on contemporary threats alone. It is based, instead, on a longer range calculation of our extensive global interests and the corresponding necessity to ensure that we never find ourselves in the precarious predicament of committing our forces to one conflict, and by so doing, finding ourselves unable to protect our interests in another part of the world, should an adversary choose to challenge us there. As long as we wish to remain a global power with global interests, we must preserve our capability to fight and win two nearly simultaneous major regional conflicts.

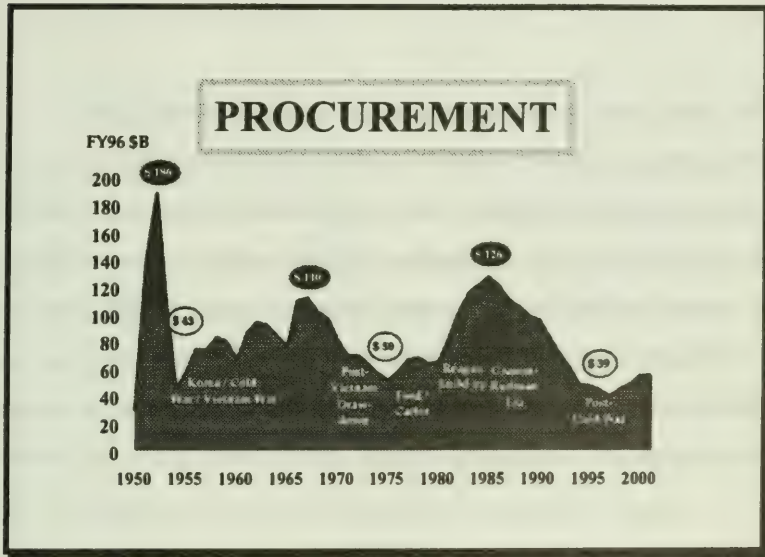
The force structure we have designed for this purpose is as lean as the calculus of risk will afford. But it will do the job and this is the force structure we must retain.

REPLACEMENT OF EQUIPMENT AND MODERNIZATION

While our force to day is fully ready, I continue to be concerned about the recapitalization of the force. Accordingly we must turn our attention in earnest to this challenge or risk the future combat readiness of the US military.

Procurement has continued to pay the bill for readiness and force structure over the past decade and now hovers at a post-World War II low of about \$40 billion.

For the past two years, I have testified that we could sustain this procurement hiatus temporarily, but not indefinitely. It was the proper course of action at a time when, because we were reducing our forces, through a combination of discarding our oldest equipment, and preserving and redistributing only our newest and most modern equipment, the average age of our remaining arsenal was younger than any time in recent decades. With downsizing coming to an end, we must now increase our procurement accounts.



For if we fail to do that, we may well wear out our weapons systems and equipment before they can be modernized or replaced.

To recapitalize this force, we must face head-on some rather difficult decisions. I firmly believe that we must commit ourselves to the adequate recapitalization of our force structure -- that will require a procurement goal of approximately \$60 billion annually. It will take tough management decisions, innovation, and even revolutionary approaches, as well as your continued support to accomplish this challenging task within our current budget topline projections.

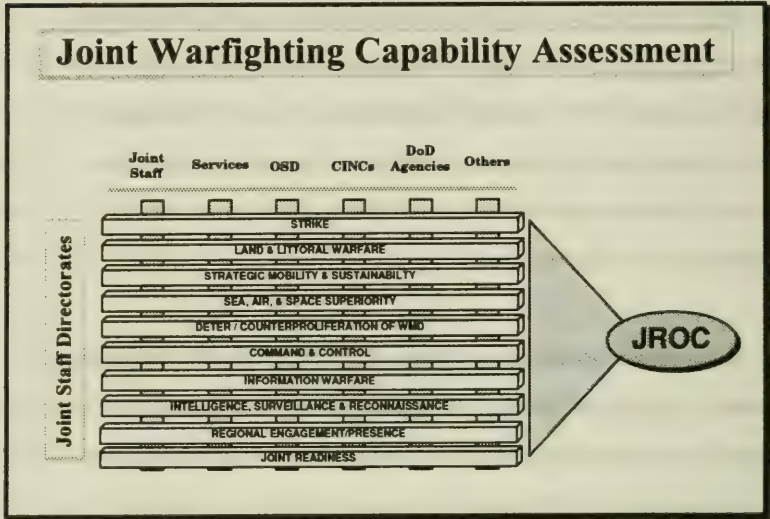
One answer lies in aggressively pursuing institutional and business opportunities. We must continue to push with all energy, acquisition reforms, commercial off-the-shelf opportunities, privatization, outsourcing of non-core activities, and further reductions of our infrastructure. The sum of all of these initiatives must be reinvested into our procurement accounts. Just as important, we must strive to reap the benefits of the ongoing technology explosion and to gain greater efficiencies in warfighting. We have already started this process through the energized Joint Requirements Oversight Council (JROC).

EVOLUTION OF THE JOINT PROCESS

Over the past two years, we have built a new process to better assess our joint warfighting needs and provide sound, joint programmatic advice. As you know, before the passage of the 1986 Goldwater-Nichols Act, the programmatic influence, role, and responsibilities of the Chairman were, by design, narrow and tightly circumscribed. We've worked to institutionalize the spirit of Goldwater-Nichols to create new joint mechanisms and systems so we can provide the Secretary of Defense, the President, and the Congress with a joint view on programmatic and budgetary issues.

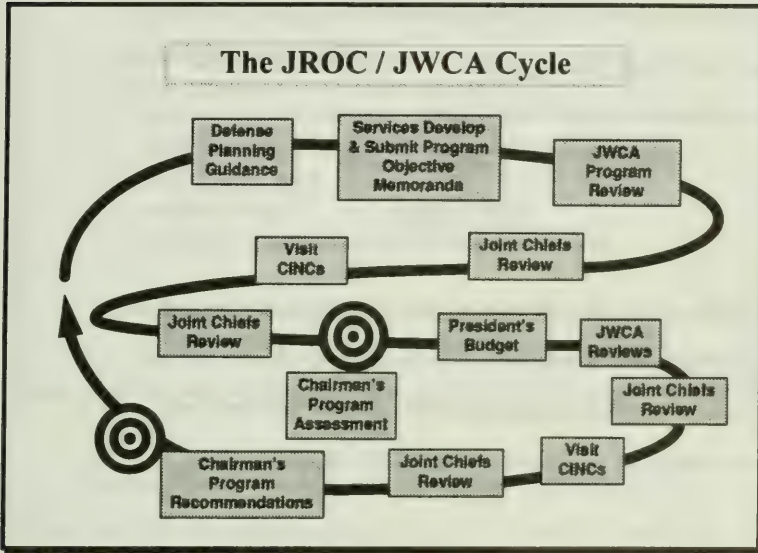
As the engine for this process, the responsibilities of the JROC have been expanded to produce this joint view. Although the JROC has been in existence for nearly a decade, the Vice Chairman and I have broadened its mandate and made it a focal point for addressing our joint warfighting needs and making specific programmatic recommendations. The nature of these recommendations will lead to an increased joint warfighting capability, increased interoperability between systems, and a reduction in unnecessary redundancies and marginally effective systems, all within existing budget levels. Those of you who remember the very limited and constrained influence that jointness suffered in the way business was done in the past will recognize the shift presented by this new charter.

I appreciate the support of Congress for recently including the JROC in Title 10, and codifying both its membership and charter. This body has already proven itself and its value will only increase over time.



To provide the analyses needed to support this effort, we've also created the Joint Warfighting Capabilities Assessment (JWCA) process as detailed above. This is our primary vehicle for obtaining a capabilities-based assessment of broad mission areas across Service and Defense agency lines. JWCA teams, each sponsored by a Joint Staff directorate, examine key

relationships and interactions among joint warfighting capabilities and identify opportunities for improved effectiveness. The assessments are continuous and lend insight into issues involving requirements, readiness, and plans for recapitalizing joint military capabilities. The JROC oversees the JWCA process and provides its findings to the CINCs and the JCS.



One of the more important provisions of the Goldwater-Nichols legislation was the requirement for me to submit to the Secretary of Defense an annual Chairman's Program Assessment (CPA), an internal document that independently assesses the joint adequacy of programs, which I provide to the

SECDEF for his consideration during his budgetary deliberations. I have found the JWCA process extraordinarily helpful in providing the analysis and insights to craft the recommendations I offer in the CPA, which has become a comprehensive and influential document in the budgetary process. As this process has evolved, we have also found it useful to use the JWCA products in developing a front-end recommendation, the Chairman's Program Recommendations (CPR). The CPR is provided to the SECDEF for his use in developing the Defense Planning Guidance, the key document that guides the Services in the development of their budgets.

JOINT VISION

The difficult choices to be made require strong processes, but they also require a strategic vision, a template to provide a common direction for our Services in developing their unique capabilities. To meet this need, I will approve for release this month a document entitled Joint Vision 2010.

Joint Vision 2010 provides an operationally-based framework for the further development of the US Armed Forces. It recognizes as the basis for our future, the significant institutional achievements and the outstanding men and women of our Armed Forces which have brought us today's high quality force. Then, examining the strategic environment, the missions we face, and the

implications of modern technology, it develops new joint operational concepts from which our future military requirements can be derived.

Joint Vision

❑ **America's Military Shaping the Future: Quality People Trained, Equipped, and Ready for Joint Operations**

- **Guided by Joint Doctrine**
- **Empowered by World Class Leadership Schooled in Joint Military Operations**
- **Advantaged by America's Revolutionary Technology**
- **Rapidly Deployable Worldwide and Tactically Mobile as Never Before**
- **Enabled Through Dominant Battlefield Awareness**

*Persuasive in Peace--Decisive in War:
Preeminent in Any Form of Conflict*

The objective of this vision is to achieve what we term Full Spectrum Dominance -- the capability of our Armed Forces to dominate any opponent across the range of military operations. We can achieve this objective by leveraging today's high quality forces and force structure with leading-edge technology to attain better command, control and intelligence, and to implement new operational concepts -- dominant maneuver, precision engagement, full dimensional protection, and focused logistics. It is these new

joint operational concepts, and the improved command, control and intelligence which will make them possible, that will focus the strengths of each of our Services and guide the evolution of joint doctrine, joint education, and joint training to bring us Full Spectrum Dominance.

CONCLUSION

This past year the men and women of our Armed Forces have given us any number of reasons to be proud. We have called on them often to go and perform difficult missions, from Korea to Bosnia, from Haiti to Kuwait. They are performing at levels of excellence unsurpassed by any other time in our country's history. Wherever we send them, they go with pride and determination.

Americans are rightfully proud of the men and women who serve our country so ably and well. For me, it is a great honor to represent them and to come before you today. On their behalf, I thank you for your unwavering support.

The CHAIRMAN. Before we get into the questions, I thought it might be a good place to just say that in my opening remarks this morning it probably appeared that I was a little bit critical of the way things have been going. Of course, that is the way it was last year. But we were critical of one another, both sides in this game that we are all involved in. But we are both I think trying to fulfill our responsibilities as we see them, and I hope that no one takes anything personal that comes out of these discussions.

We had differences last year; and I want to thank you, Mr. Secretary and General Shalikashvili, for helping us to arrive at a bill that was finally agreed to by the President. I know your influence meant a lot in arriving at that conclusion. I look forward to working with you again this time.

We are innocent bystanders looking in on this scene. So they won't misunderstand, we are both, I am sure, trying to do what we think is best for the military; and that part there about the Constitution giving us the power and the duty to provide for a military makes us look at it from that standpoint. I won't ask any questions at this time but give others an opportunity to get to their questions.

Mr. Dellums.

Mr. DELLUMS. Thank you very much, Mr. Chairman.

I have had an opportunity to make a comprehensive overview statement and pose questions that I deem appropriate in the context of the debate that must occur in the context of the fiscal 1997 budget, so I would reserve my time and give Members with less seniority an opportunity to engage the witnesses this morning.

I would yield back the time, Mr. Chairman.

The CHAIRMAN. Mr. Hunter.

Mr. HUNTER. Thank you, Mr. Chairman, and, Mr. Chairman, I also appreciate the presentation of Secretary Perry and General Shalikashvili, but let me say, perhaps less charitably, that I have looked at your procurement numbers and in my estimate your procurement numbers do a disservice to the people in uniform who are going to have to use that equipment, what equipment we have, in the outyears, people like that sergeant that you mentioned reenlisting, Mr. Secretary.

And I looked carefully at Admiral Owens' testimony, who is Vice Chairman of the Joint Chiefs, when he testified before the Senate Armed Services Committee and he made a very clear point that doesn't come out clearly in your presentation and that point is that you predicted several years ago that we would be up—we would be increasing modernization up to the \$16 billion level. That seems to be the level that we need to get to.

Let me just quote Admiral Owens; he says that in 1993 the President's budget had for procurement \$62 billion. It also proves, he said, that in 1994 that procurement would be up at \$63 billion. Of course what really happened was it went to \$48 billion. That is a \$15 billion-reduction from what you projected. But we all thought it was going to go up. In the 1995, it said it was going to go up. It says it was going up to \$55 billion but in fact what really happened was \$46 billion. That is \$11 billion below what you told us you would have that year. But it promised it would go up.

"But in 1996," and I am still quoting the admiral, "we are now down to \$39 billion and we are promising that it will go up. We have to stop promising ourselves and start doing something which I think is the basis of our ability to recapitalize America's military not just the ships and tanks and airplanes but also these remarkable technologies," unquote.

The point is that you are very familiar with the problem that Admiral Owens speaks about. General Shalikashvili, you said you wanted to have a \$20 billion-increase in modernization so that we didn't deprive our troops in the outyears and you said you wanted to have that modernization by 1998.

Looking at your program, you not only didn't move the \$20 billion increase in modernization up to 1998, you moved it further out past the turn of the century.

Mr. Secretary, you showed a levelling off of the drop in modernization in one of your charts. If you could put that chart back up on the procurement level. The only reason it leveled out is because we added under Chairman Spence in this committee an additional \$5 billion to procurement.

Mr. WELDON. That is right.

Mr. HUNTER. When you projected initially an increase of \$20 billion in procurement, the military consensus was that is what we needed, \$20 billion more modernization. Chairman Spence gave you \$5 billion more in modernization, gave you roughly 25 percent of the increase that we thought would really be satisfactory. Your department complained that this was unnecessary congressional add-ons and classified it as pork.

This is the President's budget. This President is disserving American men and women in uniform and disserving the American people if we make them think we can continue to shove modernization out into the next century when some new President theoretically will make these increases and we don't bite the bullet and modernize now and buy that new equipment that the troops are going to need.

So General, maybe you and maybe Secretary Perry could tell us why once again you have pushed modernization out into the future someplace and have not picked up that burden, that duty this year and modernized.

Just one other question, Secretary Perry, I had an opportunity to also listen to some average Americans, smart Americans a couple of weeks ago when we had a focus group in my town in San Diego. We asked them if they thought that if a missile was fired at the United States if we could shoot it down. They were all educated, intelligent folks. They all answered, yes, they thought that we could shoot the missile down.

The sum total of that is that all the charts that we have put up over the years, all of the discussions that we have given over the years have given the American people the idea that we could shoot down incoming missiles. Just like you would start off your presentation since China just made a statement to the effect that if they should take action in Taiwan they would hope that the United States would value Los Angeles more than Taiwan, I think we all read a threat there. If a missile was fired by the Chinese at Los Angeles, would we be able to shoot that missile down before it im-

pacted? Could you answer that question first and then go to modernization. Thank you for being with us today.

Secretary PERRY. I will answer your first question first, which is, as you well know, we have no capability to shoot down any ballistic missiles fired at the United States.

The second question?

Mr. HUNTER. Yes, sir. The second question, why did we push the modernization that General Shalikashvili said we needed, the increase of \$20 billion that we needed to get on with as quickly as possible to modernize our forces? Why did we not do that this year? In fact, why did we push that out past the turn of the century?

Secretary PERRY. The question, of course, revolves around what the size of the total defense budget is and how we allocate within that budget.

The size of the total defense budget is a complex issue involving both Congress' and the administration's desire to balance the budget in 7 years. The topline have been arrived at primarily on the basis of a judgment of what it takes to balance that budget in 7 years. Within that budget, which is where I have the ability to exert influence, we have made our priorities and our choices, and the priorities were readiness and care of the troops comes first, maintaining the force structure that I have described to you comes second, and modernization came third.

That has caused this hiatus in modernization which we have talked about and I am doing everything I know how to do to get more funds into that modernization. I described the efforts in acquisition reform and in harvesting the BRAC funds but that will take some years. As I pointed out to you, BRAC actually cost us money for the last few years and the savings are only coming in the later years. Therefore, getting those funds shifted over from acquisition reform savings and BRAC savings into modernization is taking some 7 years to effect.

In the meantime, it is my judgment which I expressed in my talk, and I reaffirm now, that I will hold as long as I am Secretary of Defense, I will hold the care of our people and readiness of forces as the No. 1 priority.

General SHALIKASHVILI. May I make a statement?

Mr. HUNTER. Sure.

General SHALIKASHVILI. I believe firmly our priorities have been correct up to now, that you would have been surprised if we had sacrificed readiness and care of our people. I also believe that our structure is correct and that we must not look at the structure as a billpayer. I also believe that it would be good to get through this \$60 billion procurement target sooner rather than later.

But I think it is more important that we reach agreement here that such a target is the right one and then do everything we can to discipline ourselves to stay, to reach that target, otherwise what will happen or most likely will happen is what has happened in the past, that we find ourselves pushing that target further to the right.

So Secretary Perry and I are in total agreement on the priorities. I don't want to put words in his mouth, but I believe he shares with me the desire to be able to reach such a goal sooner rather than later but within what is possible. It is more important that

we now agree on such a \$60 billion procurement goal and then hold it steady while at the same time we preserve the topline because that is as critical as anything else in the defense budget as we approach our desire to have a balanced budget, that we retain the topline or all of those desires for a procurement target or troop readiness or structure will not be sustainable.

The CHAIRMAN. We are——

Secretary PERRY. One other comment on Mr. Hunter's point relative to the 1996 budget. I applauded the efforts of this Congress in most of the items that were added to the 1996 bill because you did what I had requested during the discussions here with this committee, which is that most of that add-on was not pork. They were programs that were in our budget in the out years and they were moved forward. By moving them forward, you were able to get the capability sooner, in some cases actually able to save money by doing it that way.

I want to be clear, I think the bulk of the money added in 1996 served that purpose. I took exception to some items, the B-2 is one of them, and I still take exception to the B-2 having been added in 1996.

The CHAIRMAN. Mr. Montgomery—before we go to Mr. Montgomery, I would like to mention the fact we have in our audience a former very valuable member of this Congress, Ms. Marilyn Lloyd from Tennessee. Welcome.

Ms. LLOYD. Thank you, Mr. Chairman.

Mr. MONTGOMERY. Mr. Chairman, I want to compliment the Secretary and General Shali on the fine presentations, maybe a little long but it was good, especially you, Mr. Secretary, you were easy to follow. Members like pictures and you sure had a lot of pictures. Helps us to get a better feel.

Talking about what you expect in the total force that will work, you have taken the National Guard and Reserves and you have implemented them, as the general said and you said, Mr. Secretary, about using Guard units from different States over in Europe. That is certainly good. I hope you would continue to do that and in the 35th Division at Fort Leavenworth, Mr. Skelton tells me you are training forces right here in the States today with American National Guardsmen.

So keep working it and keep combat units in the Army National Guard. If you take too many combat units away from us, the Guard is not going to back off, they will continue to want to be involved in combat units. That is what you have done, and thank you very much.

I would like to mention a letter that came from the Under Secretary of the Veterans Department to Mr. Dorn, who is your Under Secretary of Defense for Personnel and Readiness, and I quote from the letter, and it is an important point I want to make here. My only point this afternoon, as you know the National Defense Authorization Act of 1996 is now in law and signed by the President. Section 2822 of this law provides the Department of Veterans' Affairs and the Department of Defense the authority to conduct a pilot program to assist military personnel to obtain VA home loans.

The bottom line is the VA is saying to you, Mr. Secretary, and to you, general, we have some funds to lend out there. We want

to help you on the quality of life by having the active duty personnel get veterans' loans. They don't have to live on the post and it is a test program, and my point is that I would hope that you would look into this. It will save money in the long run if you can get active duty persons to have their family—they can buy a house under the veterans' programs and not have to live on the post. You don't have to do the building. It has merit to it.

What I am asking you, Mr. Secretary, is please look into it. It is up to you to implement it. If you don't implement it, then we don't know whether it will work or not. It is \$10 million. It will come from military construction.

Secretary PERRY. I will look into it, Mr. Montgomery.

Mr. MONTGOMERY. You, general?

General SHALIKASHVILI. Exactly.

Mr. MONTGOMERY. Well, I am within my time. I yield to my former Chairman.

Mr. DELLUMS. Mr. Secretary, when you responded to my colleague from California, Mr. Hunter, with respect to our lack of capacity to shoot down an incoming missile, isn't the "B" part of your answer with respect to China that we also reserve—we also have the capacity to deter weapons from China and that has, indeed, been an integral part of our strategy and that indeed deterrence has worked?

Secretary PERRY. Yes, Mr. Dellums. I had already testified in my opening statement that we do not see a threat from, against the United States and that is why of course we are not building—that is not why we don't have such a system deployed. So we don't believe there is a threat. What capability they have, we have more than adequate deterrence for.

So that is of course the reason that the answer to that question is no, and I think that is a very good, elaborate point. I thought I had already made that point in my initial testimony.

Mr. DELLUMS. I would simply say each time you answer that question give the full answer. I have a feeling here this is a very narrow view in this respect.

I would yield back my time to the gentleman.

Mr. MONTGOMERY. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Bateman.

Mr. BATEMAN. Thank you, Mr. Chairman, and thank you, Mr. Secretary, General Shalikashvili. I think you made a very articulate statement of the nature of the threat and of the strategy that we should employ. I find nothing to quarrel with in that.

I would have to hasten to add, though, that I fear the concerns of my colleague, Mr. Hunter, with reference to whether or not the President's budget request is equal to the proper implementation of the strategy to counter the threats.

I intuitively suspect that you are engaged in a struggle with the White House and the Office of Management and Budget over the topline of the defense budget and that you could—did not come out in the struggle as either you, and certainly not as well as I, would have preferred.

But let me ask something of a very specific concern. In our fiscal year 1996 authorization bill there was a construction program that was laid out in significant detail for procurement of the next gen-

eration of new attack submarines. It is my understanding from statements made at the time that the President's budget was first discussed with the news media, and my understanding from the statements you have made before the Senate Armed Services Committee that the Department remains committed to executing that submarine construction program. But to me incredibly there is nothing in the budget either for fiscal year 1997 nor elsewhere in the FYDP for the two submarines that are supposed to be built in 1999 and in the year 2001.

You cannot implement that submarine program without advance procurement funds in the fiscal year 1997 budget for the fiscal year 1999 budget.

From your responses in the Senate yesterday, I was encouraged that the Department does support the program and on March 26 will be presenting a detailed program to the Congress to implement the fiscal year 1996 authorization bill on that subject. I would like to hear that at the time you do that you will suggest some alteration in the top line of the budget in order to pay for it because you can't implement programs that you have no budget authority or appropriations to implement, and it is a vital program.

Secretary PERRY. Mr. Bateman, I will try to clarify the Department's position on this new attack submarine.

First of all, we believe there is a requirement for the new attack submarines. Second, we believe the timing is now for that and we should be on with that program. Third, we believe there should be competition in that program and do support competition. Fourth and finally, we had in our plans and our budget a way of achieving that competition which involved a second contractor coming on board in the year 2000. The Congress had a different judgment on that and judged they should come on board in 1999, so we of course will comply with that.

But the budget—we have to readjust our budget to make that option. Our budget all involved that program starting in 2000. So we have yet to get back to you how we will comply with the 1999 start.

Mr. BATEMAN. But I hope I can anticipate that that will be happening and you will be advising the committee how we can implement the program that was worked out and agreed to last year.

Secretary PERRY. We will do whatever we have to do to comply with the congressional guidance on this issue.

Mr. BATEMAN. Well, I think I am taking great comfort in that. I look forward to seeing and doing all I can to help you see that it happens. Thank you, Mr. Secretary.

One other thing that I would like to—I have a comment on if I still have a little time.

Your budget request has \$1.1 billion for contingency operations. That is really not a contingency fund. That is to pay for ongoing operations that are foreseeable and will be ongoing within that budget year for which you are submitting.

I hope that is responsive to the injunction in our bill last year that doesn't submit to us a defense budget that doesn't include funding for ongoing operations that are taking place even as the budget was put together.

Am I correct in that or is this an unfunded contingency?

Secretary PERRY. Mr. Bateman, your point is exactly correct. This \$1.1 billion is for planned military operations, not for unplanned contingencies. They represent our best estimate of what the present programs under way will cost during fiscal 1996. If we have an unplanned military contingency, we would have to come back to you for additional support.

Mr. BATEMAN. I have many other things I would like to ask. Thank you, Mr. Chairman.

Secretary PERRY. We will try to, but it is not contingency operations.

The CHAIRMAN. I appreciate the gentleman abiding by the 5-minute rule so we can get to other people.

I would like to remind members at this time that when we break for lunch at 11:45 those members who arrive late when we reconvene at 2 o'clock, we will take questions according to their arrival in accordance with the rules.

Mrs. SCHROEDER. Thank you, Mr. Chairman.

I want to thank both of you for being here. I also want to say to the Secretary of Defense I don't think I would have ever allowed his picture to be in the paper as it was this morning with his wife with five stars and you only had four. Good guy. I want to thank you for that.

I think one of the things that I think we have bipartisan consensus on is if there is anything, anything, anything, that we can do to fast forward research into what to do about land mines at any time during the year I wish we would know. I know that is a concern of yours, too. So all of us are desperately seeking answers to that. Thank you for your leadership in it, and please let us know if you see anything that we can move on because I think the whole world is looking at that.

Let me make a plug for the Marine Commandant because he has been talking about less than lethal research and how effective those types of things that were done with defense research and the law enforcement people, how effective some of that was vis-a-vis Haiti and other deployments. It is just a little tiny part of the budget, but as we look at Israel, as presently we look at terrorism, that is one of the things that often gets crowded out and by the Marines being there on the ground he made a very eloquent request for that here, and I just wanted to underline it, highlight it and say how tragically the events of the weekend make that once again appear to be something that we may be needing to beef up. I think in the Terrorism Act we do beef it up as it is written now. I don't know if it will pass or not, but it might be something that if DOD worked with us it could be helpful.

I am going to ask a question that sounds facetious but I must say again events have driven this to be a question that has concerned me. I often thought one thing we would never block grant in this Congress is the defense bill, but as I have watched what has been going on in south Florida I am almost ready to block grant the defense bill and say, if Floridians want to provoke a war down there, fine, but I am not sure I want to be in it.

I am a little concerned about the provocation. Is the Defense Department in that loop or is that all being driven by the State Department?

If somebody does something and we see all sorts of emotions unleashed on television, can they come to you and say, OK, one more time, go?

So I guess what I am really saying is, are you in that loop, because while at this moment it appears to be in check; there have been some very tense moments where it appears some people would like to push that envelope a little further to get an incident, then people would want a military to response to it.

Secretary PERRY. Yes, we are very much in that loop, Mrs. Schroeder. We participated in all the planning both at the working level and at the very highest level on the decisions to what actions needed to be taken on a day-to-day basis and on Saturday on an hour-to-hour basis. I am quite comfortable that not only is our counsel being sought, it is being followed in those areas.

Let me reassure you, though, that while we provided a—while the point of view we bring to this is a cautionary point of view, we were not the only voice providing a point of view at all. None of the levels at the principal's level were even contemplating rash actions there.

General Shali, would you add to that?

General SHALIKASHVILI. First of all, I fully agree with Secretary Perry on that, and I felt quite comfortable that both the Secretary and I were included in all the meetings and on all the discussions. I would like to make one other answer to your question, although I know that it wasn't the gist of your question.

We normally talk about the military being joined, and I am very proud of what we have done in jointness, but this operation of this last weekend in south of Florida was principally a Coast Guard operation, we were providing some support to the Coast Guard.

You could not have seen better excellence by a service than by the Coast Guard and you could not have seen better jointness than between the military forces in the Defense Department and the Coast Guard. It was really a very well-executed operation.

I think we all ought to take great comfort from the fact that even when something involves the Coast Guard on the shores of our Nation that the Coast Guard and the military have learned to work together like I believe we have never done before.

Mrs. SCHROEDER. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, ma'am.

Mr. Hansen.

Mr. HANSEN. Thank you, Mr. Chairman.

Like many members of the committee, we have grave concerns about what has been stated today. What disturbs me is a question I would like to ask the witnesses. I think this administration feels they are above the law. They have gone so far as to take MILCON dollars to approve closing facilities and handouts to the private sector.

Mr. Secretary, we have worked on something called the base closing law. Finally it got through; it was a tough law to get through. I remember the many debates and the hours we worked on this thing. This is now Public Law 101-510 and it clearly states that if the President disapproves the recommendation of the Com-

mission in whole or in part the President shall transmit it back to the Commission and they can approve or disapprove.

The law gives the President no authority whatsoever to accept the list with changes or to offer specific guidelines for its implementation.

That same thing applies to Members of Congress. We have 45 legislative days. We can't say we want to privatize this or the other one. We have one choice, up or down. That is all there is in the law.

This law was carefully crafted with only one intention, to keep politics out of the BRAC process, forgetting how many electoral votes would be in Texas, California, or somewhere else and allow the Commission to do the important work of eliminating excess capacity based on military value and not on politics.

This Commission strongly upheld the position that this committee did in accepting BRAC last September as Congress did. We didn't fuss around with it.

My questions would be, Mr. Secretary, why does this administration continue to flaunt BRAC law and pursue a policy that is in clear violation of several longstanding laws passed by Congress?

No. 2, why would this administration want to risk military readiness and the long-term efficiency of its best facilities by retaining excess capacity and forcing the use of its most inefficient and most costly facilities?

As we stood at the BRAC meeting and General Fogleman was there, they flashed up on the screen five air logistics centers. The question was asked, of the five ALC's, name them in order of efficiency and the Air Force rated them. This was your work, your people did this.

They rated them one, two, three, four, so the Commission, Chairman Dixon, closed the bottom two. And he closed them as per the law. No strings hanging on it.

So as time goes on we now find we are keeping the two lowest rated, least efficient. We want to keep them open and spend millions of dollars and millions of MILCON dollars to keep them open as was not proposed in the BRAC Commission report.

My question three, the BRAC Commission report and the GAO specifically noted that closure of McClellan Air Base and San Antonio Air Station will permit significant improved utilization of the remaining depots and reduces DOD operating costs. I can't understand why we would want to privatize this, and I would like to know what your plan is to do work with the remaining depots.

The last thing I would like to ask, and I know these questions are rarely answered so I am going to specifically hand-carry to your office these questions, how come we are changing the definition of core maintenance, which I see that most of our people want to have left as is?

If you would go to those questions, Mr. Secretary, and General Shalikashvili, I would appreciate it.

The No. 1 matter I would like to hear somebody responsibly respond to is How you get around the law when the law is so basically clear.

Secretary PERRY. Mr. Hansen, I guess I challenge your premise. I do not believe we are flaunting the laws here. The privatizing ac-

tions we are taking, in my judgment, do fall within the scope of the conclusions made by the Commission.

The second point you made had to do with the efficiency of what we are doing. I think it is a perfectly valid point, and I can tell you that against my judgment that the privatizing actions which we have underway deal with only one segment of the activity of those depots, picking out those segments that are most modern and most efficient, and we believe this will be an action that leads to efficiency. It led to that kind of result in Newark. Deputy Secretary White visited Kelly and is satisfied that the programs underway will be efficient.

Just last month I visited McClellan and saw the privatization actions underway there. It is a small segment of the total changes that are going on there but it is picking the most modern, the most efficient facilities they have and making good use of them.

So I myself am satisfied that the results of this will be improved efficiency, not decreased efficiency.

Mr. HANSEN. Mr. Secretary, you feel your best legal counsel in the Pentagon have told you that under law the President can change these recommendations?

Secretary PERRY. My counsel has advised me—we considered this many months ago, and I have not looked at it recently, but many months have gone by since we laid these programs on. Yes, we had the advice of counsel that what we were doing was entirely consistent with the law.

Mr. HANSEN. Mr. Secretary, I would appreciate having their legal opinion. And I would like you to look at the opinions from GAO and people from the BRAC Closing Commission that are contrary to that.

If that is the case, then Congress would have exactly that same premise, that we could do the same thing with the other 41 bases. I don't know how you can draw any other conclusion.

I see my time is up. Thank you, sir. I appreciate your response.

The CHAIRMAN. Mr. Skelton, the gentleman from Missouri.

Mr. SKELTON. Thank you very much.

I welcome Secretary Perry and General Shali to our hearing today. You bring with you a great deal—not the least of which is the highest integrity and thoughtfulness. I appreciate your efforts in your constitutional role in assisting us in ours.

My first question is a simple one to Mr. Secretary. In the recent article, either this last Sunday or the previous Sunday, Warren Christopher, the Secretary of State, was quoted as saying, regarding Bosnia, this is not a permanent commitment; this is approximately a 1-year commitment. This is not a guarantee. It is an opportunity. We will give the warring parties in Bosnia a major opportunity to carry out the Dayton peace accords. It can be done in a year; perhaps it can't be done—perhaps it can't be done in a longer period of time.

Is it your understanding, Mr. Secretary, that we are still subscribing to the 1-year operation?

Secretary PERRY. Yes.

Mr. SKELTON. General Shali, from my observation and from various briefings that I have had and other information, it appears that the Bosnian deployment is going well. The bridge, which is a

historic military effort, is completed. The troops have been moving in well. The morale is high. There appears to be no sign of mission creep and the mine effort, antimine effort has been accelerated. I did raise this issue with the Army and it appears a special task force is moving ahead with that under the leadership of the Vice Chief of Staff of the Army.

I would like your assessment, General Shali, on how the Bosnian deployment is coming and how the mission is appearing as of this time?

General SHALIKASHVILI. Thank you, Mr. Skelton. I believe that the deployment has gone very well. I still recall appearing before this committee prior to the operation and we discussed all the difficulties that could have arisen. Most of them did not. As I alluded in my statement, it was due to the training and the preparedness and the competence of the force.

We moved into Bosnia and I think received a better reception than we had expected from the local population. Wherever our troops went, they were in fact received very well. We had much less, if any, military resistance to our deployment.

What we did find were those things that we had really expected and that mines would be our big problem, and that occasionally the lone sniper would be, as well as our road and weather conditions. But to some degree at least, and I think to an awful lot of degree, our training and our preparedness proved to have been correct and the results speak for themselves.

The question is, where do we go from here. I again stated that we are doing well but we must be mindful every day that something unexpected is still possible and so we must stay ready and alert and the leadership must stay as well as it is.

Ultimately, I think the bigger problem is not that military implementation of the peace agreement. I have fairly high confidence that we will be able to do that.

What we need to make sure we understand is that it is equally important to the overall effort and also to the safety of the troops that we get on with the civilian functions that need to be performed. When I say "we," I don't mean the military, but the nations that are involved in this effort.

The elections have to go forward, the refugees have to begin to return, reconstruction has to start, the infrastructure has to be rebuilt so that the people in the country see an advantage to not fighting and see a tangible advantage, and therefore have less of an incentive to resume fighting because they see life getting better.

This, I believe, is directly tied to the security of the force there now. So I would encourage that whenever you have before you deliberations whether money should be made available for the assistance of the civilian effort, that you think upon it not only as something that someone else is doing and it has no impact on our military—I submit to you it has an impact on the military because if we can get the roads and the bridges and the tunnels fixed so that we have better freedom of movement, it helps our security. If we can have a civilian demining effort going, less of the demining has to be done by us, and the mere fact that mines will be removed will make it safer for us.

It is these kinds of civilian efforts that are certainly directly tied to the military, and I think that is where we need to now provide our support as a Nation as much as we do, and you have done so well in your support for the troops.

Mr. SKELTON. Thank you very much. My time is up, Mr. Chairman. I might give the Secretary a heads-up that you will receive questions later, I know, regarding your posture statement regarding end strength, particularly the Army and the Air Force, but I will. Since I am out of time, I cannot pursue that.

Thank you both.

The CHAIRMAN. Thank you.

We have a vote underway but we will try to get to Mr. Weldon before we break for lunch and come back at 2 o'clock. Mr. Weldon.

Mr. WELDON. Thank you, Mr. Chairman. And thank you both for coming in. I see Dr. Hamre has joined us. Thank you for joining us.

Dr. Perry, I will not get into the specifics of where we disagree. I think it is clear that we have some major disagreements in a bipartisan way in this Congress in the outline you presented to us. We will have a healthy debate on those issues as the next several months unfold.

However, what I do want to use my time for today is to express my dismay at a pattern that I see emerging that in some cases is not allowing this Congress to play its rightful role in determining what the appropriate budget levels are, what the priorities should be, and allowing us to interact with the appropriate military personnel on key decisions that are, in fact, being made.

As you know, Dr. Perry, the fiscal year 1996 Authorization Act is very specific with regard to deployment dates of specific missile defense systems. The Congress in a strong bipartisan effort, coming out of this committee with a vote of 448 to 3 from this committee, funded the program to meet deployment dates we specified. The President signed the bill into law. But the administration is ignoring the legislative direction, even to the detriment of the commanders in the field. As you know, we have got General Luck in the Korea theater who has requested certain equipment, and we are slipping the THAAD Program despite the supposed commitment we are making to THAAD.

The Pentagon is selectively muscling its highest ranking generals. I was scheduled to have a briefing by an Army general, three star, who asked to brief me. He was told the day of the briefing he could not show up at my office because he was not allowed to brief Members of Congress on national missile defense on the Hill.

And that three-star general is General Garner, who did come in yesterday, but I had to talk with him about Army modernization as opposed to national missile defense. The Joint Requirements Oversight Council, or JROC, has had the greater say in allocation of resources within the Department. I don't dispute that. Yet, it has refused to share with the Congress the basis for some of its findings and decisions and recommendations that involves tens of billions of dollars.

The Hunter UAV program, last January it was the No. 1 or No. 2 priority of the Pentagon. In June, it was No. 1 or No. 2. In the fall of last year, the program was terminated. We have spent \$1

billion on that program. When we asked for the justification or rationale in canceling it, we were told it was refused, that the Pentagon did not have to turn over that information to us, that the staff of the Joint Chiefs did not have to provide that. That is outrageous.

Your Department sent us a \$12 billion reprogramming for Bosnia characterizing it as minimal program impact because of changed economic assumptions because of lower inflation than estimated. What we all referred to as a free lunch. We are coming to find out as it filters out from the ranks in the field that it is not a free lunch. We find out 3,100 people at the Engineering Center will be laid off a week to help pay for Bosnia.

We find out that Eglin Air Force Station in Florida is considering laying off a part or all of its work force for 2 weeks to take care of the funding required in this effort.

I just heard from my colleague, Duke Cunningham, that we are canceling repair of four ships in San Diego.

We have asked the services for specific reductions. We have yet to receive the information.

But the most outrageous part of this whole effort is last week when my subcommittee, which had nine Republicans and two Democrats show up in this committee, had place settings for three generals, General O'Neill, General Garner, and General Linhard from the Air Force. We held the hearing and we had their testimony which was prepared.

They were denied the opportunity to come before us. They were denied the opportunity by Dr. White. He only told me an hour before the hearing on Wednesday that they could not come after reconsidering his decision for 2 days. We were told the reason they could not come in on this, which has become one of the most significant differences between this Congress and this administration, is because they didn't want anyone appearing before the Congress prior to you coming before us.

Then I find out the day before that Admiral Owens in his capacity as Vice Chairman of the Joint Chiefs is testifying before the Senate Armed Services Committee.

Also, that reasoning was given by members of the minority in a press release they put out stating that that is the reason why the witnesses did not show.

General O'Neill wanted to be here. General Garner wanted to be here. General Linhard wanted to be here. I have their testimony. Two Democrats and nine Republicans were here.

I don't want to suggest the reasons why perhaps they were not allowed, but it leads me to believe because they were going to testify as to the capability of a limited national missile defense system which is compliant, which is the premise of our bill, this administration doesn't want that information to be brought forth for the American public or for Members of this Congress. I can tell you that is not going to happen.

As Chairman Spence mentioned, down in the front of that first level here on the dais there is a statement that gives us the responsibility under article 1, section 8, of the Constitution, that we shall have the power to raise and support the Army, provide and maintain the Navy and make rules for the government and regulation of the land and naval forces.

We are not going to stand for that again.

I have talked to the chairman about this and Speaker Gingrich. If you deny people to come before us in open hearings, we will subpoena them, but even more importantly the distinguished ranking member of this committee whom I have the deepest respect for has assured me that he will support our efforts not to have that kind of action taking place in the future.

All I am saying is we may have differences but allow us as elected Members of Congress to have access to information and data so we can understand why you are doing what you are doing, we can understand the decisions and conclusions you are reaching so we have an honest and open debate. We can disagree but when you were not willing to let those people talk to us or give us the information, we are at a tremendous disadvantage.

I don't think we are going to stand for that.

Thank you. And I join with Duncan Hunter in thanking you for coming today.

Secretary PERRY. Mr. Weldon, is General O'Neill scheduled to testify before your committee tomorrow?

Mr. WELDON. General O'Neill is going to testify but not about that issue. The issue last week, Dr. Perry, as you know, was on ABM Treaty compliant existing capability that we have that could be deployed in less than 5 years at a cost of between \$2.5 billion and \$5 billion. That was the issue. They were not coming to testify about program issues for this fiscal year and General O'Neill knew that.

Yes, he is coming in tomorrow to talk about programs for this year as we were going to have a meeting. That was not the subject of last week's hearing.

Secretary PERRY. Let me state in the strongest possible terms, Mr. Weldon, that this administration, this Department, and this Secretary is not withholding information from anybody, and you can schedule any hearing you want to with General O'Neill to testify on any subject within his competence, and I will support that.

Mr. WELDON. Does that include General Garner and General Linhard?

Secretary PERRY. Yes.

Mr. WELDON. Thank you very much.

The CHAIRMAN. Thank you.

We will break for lunch. Back at 2 o'clock.

[Whereupon, at 11:47 a.m., the committee recessed to reconvene at 2 p.m., this same day.]

The CHAIRMAN. Moving right along, Mr. Hefley.

Mr. HEFLEY. Thank you Mr. Chairman, and thank you, General and Mr. Secretary, for being here.

Mr. Secretary, at the outset I want to express my appreciation for your personal commitment to try to improve the quality of life for our military personnel and their families. I think it is a commitment we all share, and we spent a lot of time, you and I, last year talking about this.

Secretary PERRY. We could not have done it without your support. I want to personally thank you for that.

Mr. HEFLEY. It was a good team effort. You folks, and you personally, you can't minimize the commitment you personally made

to it that got your folks moving in that direction so well, and I appreciate it.

I have had an opportunity to review the 1997 military construction budget request, and while there are some aspects to the administration proposal that I think are helpful to solving our long-term infrastructure problems, I have concerns about the budget request overall.

First let me do the positive side. I am pleased that the administration has committed itself to a serious barracks program this year. The request for barracks construction is nearly one-third more than you requested last year and nearly matches the funding provided for last year.

However, on the other side of the quality of life effort, in military family housing, I am disturbed by what looks like an erosion of that. The budget request would provide \$355 million for new construction, a 21 percent reduction from the enacted 1996 level; nearly 3,000 new units of housing, 30 percent fewer than Congress provided last year; and a reduction in the construction improvements accounts of nearly 29 percent from the current program; over 7 percent cut in the maintenance accounts for family housing when we know there is a substantial backlog of maintenance and repair in military neighborhoods.

I don't think that we can rely solely on the privatization initiative, as good as I think that is, to solve our military family housing problems overnight. We need to put more dollars against the problem in the short term.

As far as overall military construction accounts are concerned, you are requesting \$9.1 billion. The 1997 request is 14 percent less than you requested last year and 18 percent less than the enacted program.

More telling to me, however, is that this budget is nearly 5 percent less than you planned to spend in 1997 when you presented the budget last year.

As we modernize military equipment and weapon systems, there is very little discussion of the bed-down and other infrastructures requirements required to support modernization. As I look at the outyear funding proposed by the administration, I have serious questions whether facilities modernization can keep up with the modernization efforts, let alone fix the significant problems that we already have.

It seems to me that the administration's budget proposal for military construction fell within a defense top line that is underfunded and merely rearranges money in accounts. It is a classic "rob Peter to pay Paul" exercise, it appears to me. At a minimum, we are treading water.

What is worse is that in some areas I fear we are not making significant investment to prevent a further erosion in the quality of military facilities. That has implications for retention, training, and readiness. I think that you did a marvelous job of convincing all of us that we do have a terrible backlog and we do have to address that backlog, and we got excited about addressing it.

I would like you to respond to my observations about this one.

And then, completely off the subject, I have some concern about military—about the Army end strength. We are talking 495,000.

You indicated that we are through with the drawdown substantially, and yet I get the feeling that if savings can't be found other places we may go to the 475 figure, and so if you would comment on that too I would appreciate it.

Secretary PERRY. Thank you, Mr. Hefley.

The MILCON housing budget which we submitted is the best balance I could make with the various trade-offs that I was faced with in putting this budget together.

I am not satisfied with the effort on housing, as you are not satisfied with it. My efforts to deal with this problem are going to focus on bringing in private capital to try to make up for the deficiencies, to accelerate the efforts to getting more housing and more modifications to housing, and to get more efficiency in the process that we have.

It would be a lot easier if I simply had more money. It is harder to work the problem the way we are working it, but I will not give up but continue to apply the best management efforts I can put to get more resources to bear, because I am not satisfied with the pace of housing building modification which you cite and which is reflected in this budget.

Mr. HEFLEY. We are still singing off the same page as we did last year. It is still a high priority with you as it is with us?

Secretary PERRY. Yes. End strength of the Army, General Shalikashvili and I discussed this intensively over the last 6 to 9 months. I will ask him to comment, but we have exactly the same view on the subjects.

General SHALIKASHVILI. As we try we try to ensure that we have the right size force and the right end strength to match it, it appears to us that it is not out of the question that as we replace capabilities, in all the services, but certainly in the Army as well, with increased capabilities, it affords us an opportunity not to change the structure but to see if we can retain the same capabilities at a lower structure.

An example in the Army, that is as you upgrade from an M1 tank to M1A1, M1A2 tank, by any measure you can argue whether that is an 18 percent or 20 percent increased capability that the new piece of equipment brings you. So you have to ask yourself, in the absence of someone fielding something better than the threat tank that we would be facing, whether it isn't possible to take a unit that now has five tanks in it and make it a unit with four tanks and thereby make some reductions in the end strength while maintaining the same capability.

More importantly, when you look at how much of the Army end strength is in the fighting piece and how much that is in the support piece, the kind of infrastructure that supports the fighting force, it seems to me that whenever we talk of a potential reduction in end strength to gain a savings we immediately turn over to the fighting side, and how we could get there I described.

I think a larger potential for end strength savings is in the infrastructure side, through privatization of things that we do, through outsourcing, through jointness.

For instance, we have a number of installations where we have three services having installations close by, each having its own

management structure. Can we combine them and have one management structure handle it and thereby get savings?

I continue to look and I continue to ask the Secretary to keep looking for ways where we can maintain the same capability and certainly the same force structure in the Army but perhaps at a reduced end strength.

Mr. HAMRE. If I could amplify, sir, the force structure that is in there is not cut because of the potential reduction of 495 to 475. We have resourced the same force structure and the OPTEMPO to go with it. So it doesn't presume any reduction in combat capability for the forces for the Army.

Mr. HEFLEY. But we are looking at 475 or 495 down the line, would you project?

Mr. HAMRE. Sir, it depends on the efficiencies the Army can achieve inside the administrative side of the Army, the TDA side of the Army, the noncombat side of the Army, sir.

Mr. HEFLEY. Thank you very much.

The CHAIRMAN. We just heard from John Hamre, the Comptroller of DOD.

Mr. Sisisky.

Mr. SISISKY. Thank you, Mr. Chairman.

I have read all your testimony today, and I appreciate the chairman's ability to have the people clean up and straighten up here.

They took my notes away. I think I know what I want to talk about: No. 1, restructuring of the industrial base. I happen to agree with it. As you know, I put in some amendments in restructuring. Now I understand a lot of people want to do away with it, including those in the Pentagon.

I want your opinion, and I agree with restructuring of the industrial base, but I think there should be some controls on that, and I would like to hear from you on that. Somebody mentioned today's mines. Do you know—

Secretary PERRY. Could you elaborate on that, please?

Mr. SISISKY. It was General Dynamics that had a company in California, moved to Arizona, and by a wave of the arm you gave them \$200 million. I said that may not be the right thing to do. We wrote these things, and I admit that some of them are very strict and may need some fine tuning, but I hope, because I will fight to keep that thing in there as best I can, because I think it is very important.

But anyway, we brought up the question of mines. We had a hearing on mines; 12 years ago I brought up about mines, how important it is. I can't tell you—everything that we have done in technology, why we can't find a way, whether it is laser or whatever—I know that we have provided funds and you have reprogrammed some of the funds.

Correct me if I am wrong. Mines kill more people than anything else. Is that a fair statement? At least the Marine Corps told me that 12 years ago. I found out in the hearing, one of the problems was the doctrines; the Army has one doctrine: You mark it and move on. Marines have to clear it out. Someone has to take a look, and I think it has to be from the top. We found out in Bosnia, and we are doing well, but it is a slow process.

You brought up the subject of submarines. I think what you said is very credible. I do worry why it wasn't put on this year's budget, because if you want competition, one of the competitors goes out of business in 1999 unless they get some money to keep that. So I trust what you say, and I hope it will happen.

One other thing that I have read about NCO's: that you have taken NCO's all over CONUS and sent them to Bosnia. I asked the Army about it. They said they had to have the specialties. I understand that. But one thing I haven't got an answer to, and I think this really reflects upon readiness, and that is that NCO's are not being promoted now in order to save money.

I remember listening to General Sullivan, who I think said it takes 15 years to train a good first sergeant, 20 years to train a division commander. If this is true—and I just read it in one of the periodicals—that we are not promoting NCO's, then we are doing very badly in this country.

The other thing, Mr. Hamre's favorite subject, but I think it goes higher than Mr. Hamre, and that is the thing of privatization. We were allowed to do some privatization on some pilot programs last year, but I am here to tell you, in my opinion—and I hope I am wrong—if you go too far on privatization it will be the worst mistake that is made in this country, in my opinion.

The military is there for war, and I think if you privatize everything, and you talk about privatizing a whole naval base, the largest naval base in the world, privatizing that, I think you will be making a major, major mistake. I am not against privatization where you can save money, but I am against the wholesale use of privatization, and I worry very much about that.

I was going to bring up about the Army that Mr. Hefley brought up because I looked at the figures, and in 1999 I think it was 20,000 less. I hope they are not doing that, but you assured us they are not, not doing that just to meet a budget figure.

Secretary PERRY. I will comment on several points and ask General Shalikashvili to comment as well.

Relating to privatization, there is enormous inertia in the system resisting privatization. Therefore, I don't think we are going too far. The problem you raise is a valid issue, but I just don't think we will reach that point any time in the foreseeable future.

Mr. SISISKY. The only reason I brought it up, that is not what I am hearing from some, and I have in mind one of your executives, that it has to go through Congress before it happens anyway.

Secretary PERRY. On restructuring of the defense industry, since the market of the defense industry has decreased 50 to 60 percent, some restructuring is inevitable and necessary to bring efficiencies in getting the overhead down, which will benefit our Department as well as benefiting the companies.

Each of those proposed transactions, though, has to be reviewed by the Trust Department for antitrust considerations. Our Department's role in that is serving as advisers to the Trust Department as to whether we believe that the proposed merger would cause us to lose desirable competition in order to maintain efficiency.

Mr. SISISKY. It is more than that. You have to prove to three different committees whether or not the savings were there. That is what was bothering me, whether the real savings would be there,

and they were doing it over a 10-year period. I am not going to be here in 10 years, and a lot of other people. I want to be sure we keep our hands on that to be sure that the restructuring is right and the savings will be there. We should share savings.

Secretary PERRY. It is like the BRAC question. The infrastructure has to come down in the defense industry as well as in our bases. But we have more or less control over bringing it down in the bases, but no control at all, except we have a way of stopping the changes if we think that they might be harmful.

On the submarine program, I will tell you, we are committed to the fast attack submarine program and are committed to doing it with competition, and I am confident we will work out a way of doing that.

General Shalikashvili.

General SHALIKASHVILI. On mines, I will certainly take a look whether there is a disconnect in doctrine between two of our services. We have worked it very, very hard, and I will make sure—and particularly as Bosnia was coming upon us—to make sure that everyone understood those rules. I think you will find, as you look into conflicts up to now, the greatest killer has been the artillery, but mines are very close to it.

Not promoting noncommissioned officers, I will look into that and get back to you. It is possibly because the Army had set a goal of promotion of 98 percent of MPA and they might have run into that ceiling right now. I will get to you on that issue.

General SHALIKASHVILI. On privatization, if I may, I understand fully well what you are saying, Mr. Sisisky.

But if we are really serious about being underfunded in our acquisition accounts and that in order to keep our readiness high and to keep the structure that all of you have said, if anything, is the bare minimum that we need to have to do what this Nation wants us to do and still increase our acquisition accounts, then we must, we must not be afraid to explore all possibilities in privatization, because I think that could be a significant chunk of money that could then be migrated into the acquisition accounts. But we can't do that without all of you, so I ask you that you encourage us in this process and help us along in that process.

The CHAIRMAN. Mr. Cunningham.

Mr. CUNNINGHAM. Thank you, Mr. Chairman.

Let me start off by saying, Mr. Secretary and General Shalikashvili, if I was the President, I would not mind your appointment and you sitting in the same chair. I think that if you had a different administration you would be much more able to justify an unjustifiable plan.

Secretary PERRY. Mr. Cunningham, I am very happy with the administration that I am in.

Mr. CUNNINGHAM. I am sure you are, but we are going to change that.

Let me be specific on what I think are the unrealistic assumptions: First of all, that we have had industry testify that the best thing that could happen to them is flat line procurement, and when you base—and I realize that you have to make some of your projections on current inflation at 2.5 percent, but I don't think there is

anybody here who believes that inflation is going to stay at 2.5 percent over the next 7 years.

Then BRAC, you need to upgrade your chart. I listened to the Senate hearings last week where you are a billion dollars behind, not even in BRAC, and you have other costs, for example NTC and the Navy right in my home town, and El Toro that the marines are having to eat the overhead on because they can't move down to Miramar. They are having to eat those costs in base after base. And then the environmental costs. And if you justify your future plans on those things, it is going to be disastrous.

Let me give you a case. This is the shipbuilding repair that you said in worst case we are going to make this happen. You have set up worst case because if you look at the inflationary mode that you have set forth in your plan and BRAC savings and acquisition, under this plan we won't have money to acquisition anything.

What is going to happen is, you will cost thousands of jobs in San Diego in just ship repair. You say it is only worst case. That has happened, according to SUPSHIPS, and those ship repairs were put off because of the 1993 cuts, and now we are putting money into O&M, and now you are saying even with that increase that you are going to cut the ships. That is unrealistic.

I take a look at the F-14, and the JAST is not just an F-16 replacement. JAST is for the Navy, the Marine Corps, and the Air Force.

Secretary PERRY. I stand corrected on that.

Mr. CUNNINGHAM. The F-14 we have to make run through to 2001 to 2004.

By the way, those F-14 crashes, I would not be afraid to step foot in an F-14A. But if we delay because of these assumptions the FA-18E/F in that time period and delay JAST, we will not have national security assets to meet the threats in the future and it is going to be disastrous for us. So there are two.

Your assumption of the budget threat on the SSN-19. I could show you the USS *Lexington* being cut up into razor blades, but we are building new carriers. The Russians are building three nuclear-class Typhoon submarines a year plus the deep submersibles and a new nuclear weapon program.

Where you say that we had air dominance in Iraq, I have trained those kinds of pilots, and they would be better suited on camels and more effective. They are the worst pilots in the world. You go to Korea, Russia, China, places like that with those kind of assumptions, we will get our lunch handed to us.

Haiti. You said great planning. Ask Jimmy Carter when he screams at the President about the great planning and the multinational force that wasn't even there until day 3. Aristide is still there; Papa Doc management is still in effect.

If you look at Somalia, we still have Aideed there, and it cost us billions of dollars in Haiti and Somalia.

In Bosnia, I have talked to the Serbs in California, and they are telling me that yes, they are leaving Croatia but they are coming back when the snow melts. I hope you have planning for that, because I still believe we will be in deep kimchi there. The Mujahedin is still there, and we are going to have problems there. The U.N. and NATO are broke. Who is going to pay for that?

My question is, with all of these assumptions, where do we historically take out those dollars? Out of DOD. That gives us even less capability to meet the goals that you want to and hurts us in national security and I think is disingenuous to our kids.

I understand what you are going through in this budget, but if you look realistically, it is not going to work, sir. I know you have the best interest of our kids and you are trying to do the best job you can, but when you make assumptions like this and it costs more in the long run—I know you have put money into JAST and into the F-18E/F, but when you take assumptions and say, “We will come back to you if the 2.5 percent doesn’t work,” then we have to readjust. That means all the job markets out there and the people have to readjust their markets and it costs more money. That is one of the reasons the B-2 cost so much more.

I have a lot of concerns with what you have presented, and I don’t think it will work, sir.

Thank you.

Secretary PERRY. Let me make one comment on the very fundamental point you made on inflation. I want to repeat that the success of the program that I laid out here hinges on three assumptions. I make it clear and explicit to you:

We have to be able to harvest the BRAC savings. We have to have continued success in acquisition reform. Fortunately, we are having real success there now. Third, we have to sustain the topline of the budget, and that means purchasing power of the topline, and therefore the point you made is very fundamental. If the inflation goes up, we will have to come back for higher dollars to compensate for that. We have to sustain purchasing power.

Mr. CUNNINGHAM. Logically, don’t you think it is going to go higher than 2.5 percent?

Secretary PERRY. Last time that happened, fortunately we did get authorization for a higher topline to accommodate inflation.

Recently inflation went down, which is an unusual situation. I am not sure that is going to be repeated in my career. Fortunately, when it went down this time, the converse to what I said is, you would expect to see your budget lowered when inflation goes down. In this case, the President allowed us to keep two-thirds of the savings from that inflation, and that is reflected back so that this budget actually has somewhat more purchasing power than we had anticipated when we put it together because of that fact.

But the fundamental point is, if inflation goes up, for this program to be successful we have to have the dollar line in the out-years go up with it.

Mr. Hamre, do you want to comment on that?

Mr. HAMRE. Sir; two times in the last 3 years we have had our topline increased because inflation went up. This year it went down, and, as the Secretary said, we have \$30 billion greater purchasing power in this budget for these assumptions. We do not create our own economic assumptions. We are given the economic assumptions and honestly budget them. But we need good numbers across the board.

Mr. CUNNINGHAM. But in the next 7 years, wouldn’t it be reasonable to assume it is going to go above 2.5 percent? If you justify a plan on that, it is certainly going to happen.

Mr. HAMRE. It could, but the administration had to cut \$297 billion out of discretionary spending in this period; \$16 billion came out of defense and \$280 billion out of nondefense. I think the President was very strong for a strong defense with this budget, sir.

Secretary PERRY. Finally, Mr. Cunningham, I would like to thank you for the important point you made about JAST being a joint program, which of course it is. It is a Navy and an Air Force program. It does much more than just replace the F-16. It will be our low-cost fighter for decades ahead and into the next century for all services.

The CHAIRMAN. Mr. Pickett, the gentleman from Virginia.

Mr. PICKETT. Thank you, Mr. Chairman.

Gentlemen, welcome.

I would like to start by commenting on the privatization issue. I hear privatization talked about in some instances as, if you do away with the Government employees and bring in a private contractor, somehow you are not spending the money that you will be paying to the private contractor.

I am aware of cases where activities have been discontinued in the military, contracted out for a higher price than it was costing when it was being done in-house. That is not efficiency, and it should not be forced on the military services.

On the issue of the infrastructure that you commented about, there are two ways that you can help toward getting the right size infrastructure, and one of those ways would be to give the military departments the money that they need to make demolition of buildings on the bases that they want to have demolished.

In many cases the payback on this expenditure is just 2, 3, at the maximum 4, years for the money expended because you save the operational costs that have to be paid out to maintain the buildings. If they could get the money to demolish, they could save a lot of dollars down the line.

On the flip side, I am hearing that in the operations of the bases not enough money is being allocated to preserve essential assets. These are structures that must be preserved in order for the base to be mission capable.

No. 1 is the roofs. We allow the roof to deteriorate, and it doesn't take long for the entire building to become uninhabitable if the roof is not secure. So not taking care of real property maintenance and pushing the problem into the future will cost more dollars instead of less.

Finally, the sizing and shaping of the force. In 1990, it was my recollection that the then Secretary of Defense along with the President and the Congress came together on a plan over a 5-year period to bring our military down about 25 percent in size, from about 2.1 million people down to about 1.5 million people. We have accelerated that decline somewhat.

I would like to have you comment on how you view today the plans that were implemented back in 1990 to downsize the military, the efficiency with which that has been carried out, and whether or not you are at the objective that we should be seeking as a nation to resize and reshape our forces to meet the threats of today.

Secretary PERRY. Let me make two quick comments, and then I will ask General Shalikashvili to comment specifically on the downsizing.

Historically it has been true that real property maintenance has been the bill payer at the end of the year when we run out of money in our O&M accounts. The first thing that the base manager will dip into is the real property maintenance, which is one of the reasons we have the kinds of problems that you are describing.

I probably didn't make it clear enough in my presentation, but this budget is less vulnerable to that problem than any budget we have ever submitted. The reason is because the planned military operations for the first time are funded in this budget, and it is those—it is the money being drained from the O&M account by the military operations which has caused us to run out of money at the end of the year. This year we face that problem squarely and are actually funding over a billion dollars for these planned military operations.

If we have unplanned contingencies, we will have to come back for more money but will not have the kind of problems we have historically had which have had an adverse effect on real property maintenance.

The second bill payer in line has been training and exercises. So we are trying to avoid that problem for exactly the reasons that you are describing.

In the drawdown, I am quite satisfied with the way the drawdown has gone both in the active duty forces and in the reserve forces. I am dissatisfied with the fact that the civilian drawdown got started later so we now have it under way at a steeper slope than the others. It is still running 2 years behind the active duties. The active duty drawdown is almost over now. We should have a period of stability ahead for many years to come.

General SHALIKASHVILI. Two points, one on the issue of infrastructure.

We started reducing infrastructure at a point when I thought we had an excess capacity of infrastructure. Since that time we have reduced our force by over 30 percent. We will have reduced our infrastructure by some 18 percent.

Clearly, if we are serious about getting our acquisition accounts up and being able to migrate money into those accounts, we have all agreed on that, that we also must not be afraid to take one more stab at further reducing infrastructure.

As far as the overall reduction is concerned, I have been involved in it in various capacities, as a deputy commander in Europe, as a CINC, and as the chairman. I think it is an extraordinary success story. The fact that you can take an all-volunteer force, reduce it by some 700,000 military personnel, do so at a time of great demand upon the force as far as operations is concerned, and do it with that much expertise and retain that much capability and excellence in the force is something I would challenge any civilian corporation to do.

You all had such an important part in it, not only in ensuring that the process was done correctly but also providing the safety nets that you did throughout to allow us to make those reductions

without more severe hardships than in some cases already were involved.

But I think through the years, from the 1990-91 period on as I watched the force come down and watched the quality and the excellence of the product, their operations throughout the process, it is something that we as a Nation, you and we as an institution, should be extraordinarily proud of.

I lived, in a similar vein, through a drawdown after Vietnam, such a night and day operation, and I think we have arrived almost at the end of it by the time we finish with the 1997 budget with a force that we can argue whether it is large enough or not large enough. I happen to think it is about right. But no one can argue about the quality of the force and the quality of the people in that force.

Secretary PERRY. In the 3 years of this administration, we have drawn down the active duty military and the civilians a few hundred thousand people. It has been a big drawdown. And during that period the involuntary separations were less than 10 percent, partly by, I think, good management, but largely because of the provisions which the Congress gave us to allow us to manage this process carefully.

Mr. PICKETT. Thank you.

The CHAIRMAN. Mrs. Fowler, the gentlelady from Florida.

Mrs. FOWLER. Thank you.

I apologize for not having been here for part of the hearings today, but they keep scheduling three or four at one time.

As you know, an issue that occupied a lot of time, particularly on the Readiness Subcommittee under the able leadership of our chairman, Mr. Bateman, was the question of depot maintenance and repair. This is an issue of great concern to me and to many others on the committee.

As a result of the provisions that the President signed into law early in the fiscal year 1996 authorization bill, we are on the committee looking forward to receiving a comprehensive depot policy from you later this month.

As you know, the law provides some flexibility to the Department in how it fashions policy, but it also provides some very clear guidelines on how depot-level maintenance and repair is to be done. By all accounts that we are getting, unfortunately, the Department seems to be moving in exactly the opposite direction of what this law requires.

I understand Deputy Secretary John White, both in his former capacity and his current, seems to be the point person on this issue. I know our chairman, Mr. Bateman, is having hearings next month on depot. I would hope that Mr. White will be made available to come to those so we can go in depth on some of these issues with him.

Secretary PERRY. Let me volunteer Mr. White right now. I am sure he would like very much to participate in that hearing.

Mrs. FOWLER. Great.

With regard to privatization, as you may know, the GAO projected back in December of 1994 that privatization in place at the Aerospace Guidance and Metrology Center in Newark, OH, would cost \$456 million more over the 5-year period from fiscal year 1996

to 2001 to operate as a contractor-run facility than would have been the case had that facility remained an Air Force depot.

They just released a new report this week called Closing Maintenance Depots, Savings Workload, et cetera, in which they note in regard to that AGMC that a later cost estimate projected that over a 5-year period the privatization option may cost \$600 million more than costs that would have been incurred had the depot continued operations as a military depot.

Now, I understand that this morning you referred to the success that we are experiencing with regard to privatization using this AGMC in Newark as an example, and if this small contractor-run facility, if its costs are going to be between \$456 to \$600 million more over a 5-year period than running it as a Government operation, how can that be called success? Under those sort of circumstances, is it making sense to pursue privatization in place elsewhere?

I just got this afternoon the new GAO report called Depot Maintenance, Opportunities to Privatize Repair of Military Engines, and I just want to read one quote from that. It says:

Prior to the administration's decision to privatize the workload, the recommended closure of one of the two major Air Force engine depots offers the potential to improve the efficiency of the remaining engine depots as well as to evaluate the cost-effectiveness of privatizing additional commercial counterpart engine workloads through public-private competitions. If core military-unique workloads from a closing activity are transferred to another public depot with proven capability to perform the work, DOD could not only save cost from the elimination of unneeded infrastructure but also from the economies resulting from the consolidation of engine workload and improved utilization of remaining engine facilities.

I would hope, Mr. Secretary, that in your position as a steward of those resources and with the great cost problems that you have facing you, that you would act as far as the remaining Government-run depots in such a manner as to make sure that they do continue to be able to be run in a cost-effective manner, that we are not throwing dollars away, as I know Mr. Hansen pointed to, about the dollars in the new budget from McClellan and Kelly, bases that are closing and would not pursue what I see as the political goals of this President trying to gain votes in California versus what I think your goals are and should be, that we want to maintain core level in our Government-run depots, have them work well and efficiently, and that is what we need to be pursuing.

Secretary PERRY. Mrs. Fowler, I appreciate your comments. Dr. White is leading this effort in the Department. He recommended it to the Department before he came in as part of his Commission on Roles and Missions.

I believe, and I know he believes also, that privatization is not a panacea, and it is an important tool, and when we apply it, it has to be applied very selectively and it has to be implemented very carefully. I believe that in doing this you should hold us to the test of whether we are gaining efficiencies, and I can tell you that Dr. White holds us to that test.

With any particular move we are making, we should be able to answer you and explain to you, and to Mr. Bateman's committee, whether we are meeting this test of lower cost and greater efficiency. We are not doing this as a public works project but as a

means of improving efficiency. It will only work in certain cases and even then has to be implemented carefully.

Mrs. FOWLER. Thank you.

The CHAIRMAN. Mr. Evans.

Mr. EVANS. Thank you, Mr. Chairman.

General, I have a question about humanitarian land mine clearing. Last year the committee included in its bill language that severely limited the humanitarian demining program by rescinding authorities that were given to the program by Congress, and now I understand that the language effectively kills the program by restricting the use of fiscal year 1996 funds to fully fund operational costs such as transportation expenses associated with the DOD demining activity.

General, can you tell us how this language affects execution of this program? And please outline your view of the program and your understanding of the support that it has from the theater CINC's.

General SHALIKASHVILI. I believe that the restrictions now imposed upon us have had a very unfortunate effect. I think that the demining efforts that we had ongoing from Cambodia to places in the other part of the world have in fact been severely restricted, and I would urge, if you can, for us to relook at the possibility of reestablishing those programs.

I think that the latitudes we had before allowed us to do some very, very good work. Now, in essence, we are restricted to going somewhere as part of an exercise doing something. We are not allowed to leave behind the tools that the people would have to use in order to clear mines and therefore, in essence, can't put into effect whatever limited instructions we are now able to give them.

So it has set back the program, and I, for one, feel strongly that the dangers from mines, particularly in the Third World area, are just so enormous that for a very limited amount of money we can do a great deal. I think in the end most likely it will assist the military as far as their safety is concerned should we some day have to deploy in these areas.

So it has both the benefit to the populations that have to live in these areas but also certainly has at least an indirect and, in many cases, a direct impact on the safety of our troops. So I would urge you, if you can, to see if we could reopen that issue and give us back the latitudes we had before.

Mr. EVANS. Thank you.

Mr. Secretary, I have a question about the Persian Gulf Advisory Committee. The Presidential Advisory Committee on Persian Gulf war veterans has recently released its interim report.

The report made two specific recommendations: First, that the DOD must do a better job in monitoring the health of soldiers before, during, and after a conflict; and, second, DOD should devote more attention to monitoring low levels of exposure to chemical warfare agents.

Considering the deployment of our soldiers to Bosnia and other theaters in the future, I think it is vitally important that these recommendations be implemented as quickly as possible. Could you please tell the committee what is DOD doing in this regard? And I have several other questions which I will submit for the record.

Secretary PERRY. Let me say here and now that there are important lessons learned in Desert Storm which we are applying to the Bosnia operation, and they are affecting the potential illness of our troops there, much broader than just exposure to chemical weapons. There is a uniqueness of diseases and viruses in the area too.

The whole set of actions we take to minimize the risk to our troops, to keep better records than we kept in Desert Storm, to ensure that we have consent from our soldiers for any experimental drugs that are being used with them, all those things are lessons from Desert Storm, and I personally follow this very closely. I think I can give you a high level of confidence that we are benefiting from those lessons.

General SHALIKASHVILI. We are very well aware that with the almost totally deteriorated infrastructure that exists in a place like Bosnia the chance for diseases is greatly increased. So in our preventive medicine in ensuring that our camps maintain the highest hygiene standards, et cetera, I think we have gone to great lengths to minimize the chances that our troops would be adversely affected by what I think could be some serious diseases in that area.

But we are, in fact, paying great attention to it, and while occasionally we get a scare that some new strain of something has been discovered, so far we have been lucky and been able to stay on top of it.

Secretary PERRY. Let me give you one example. I have had probably four or five personal interventions myself, and I am sure with General Shalikashvili also, on one soldier coming down with a bacterial disease because we thought it might be a virus that was unique to that area. Until it was properly diagnosed, it was getting that kind of attention.

We care very much about the unique hazards that our soldiers face in that area, and it comes to our level to make sure we are doing the extraordinary things that we need to do to minimize those risks.

Mr. EVANS. I appreciate that very much. Thank you.

The CHAIRMAN. Mr. Bartlett.

Mr. BARTLETT. Thank you.

Mr. Secretary, the question I will ask after making a few introductory statements, I believe, is in the policy area, so it is probably directed to you. I would like to make statements of present realities as I think many people on the committee and outside the committee see them and then to ask you a question about our position and policy.

It is my understanding that last year Russia launched, I believe, six submarines, that some of them run faster, deeper, and quieter than anything we have. They have a second generation on the drawing boards which will do even better.

I know, sir, that you are familiar with classified documents that indicate that Russian submarines now come closer to our coast, they stay longer, and if they run deep and slowly we have lost them for several days at a time.

I would like next to reference the state of Chinese missilery. The Chinese are now launching synchronous satellites. I think it is a reasonable extension that if a country has the ability to launch a

synchronous satellite that they have the ability to target any site on the globe.

The Chinese have a nuclear capability. Whether or not that has been reduced to warhead technology is may be moot, since I think that it is generally recognized that, either directly or indirectly, through acquiring the know-how or the actual devices that, if they were of a mind to, they could acquire the warhead from the countries that used to be part of the USSR.

Apparently we are still operating under the MAD—that is, the mutually assured destruction—philosophy of the cold war. Due to technical limitations, this was perhaps the best we could do during the cold war, but I think there are serious questions about its adequacy now. For instance, let me reference Saddam Hussein and what he did. No sane, rational person would have attempted to do what he did.

Let me also remind you of the situation in Russia, which is moving right to nationalism. Zhirinovsky, one of the leading political figures there, has two goals once he takes over Russia, and I don't know in which order. One is to take back Alaska, they sold it too cheaply, and the other is to father a child in each of the provinces of Russia. I don't know in which sequence he intends to achieve those goals.

China has made the statement, as a result of our response to their missile activities near Taiwan, that they hope that we value Los Angeles more than Taiwan. That, I think, sir, is not a very thinly veiled threat.

You indicated in an answer to Mr. Hunter's question that we have no defense against even a single intercontinental ballistic missile such as Saddam Hussein might well be able to launch. He certainly has the financial wherewithal to acquire a missile from China and a warhead from Russia.

Our citizens, when they learn where we are, are at first disbelieving. They cannot believe that we would do this to them. Second, they are appalled, and then they are angry.

My question is, how do we answer our citizens that we are not irresponsible and exposing them to these potential and real dangers?

I see a real argument that you cannot easily defend putting this off as a future danger. I think the situations you have run through indicate to many, this is a real and potent danger now. How do we answer their question, that we are not irresponsible in exposing them to these potential and real dangers, and why are we not proceeding post haste to correct the deficiency?

Secretary PERRY. There is a lot wrapped up in your comments there, Mr. Bartlett. Let me try to answer them as well as I can.

We have, ever since the dawn of the nuclear age and the dawn of the ICBM's, going back almost 30 years, when the Soviet Union could put nuclear weapons on ICBM's, have had this threat, the possibility of another country launching a nuclear warhead at the United States on a ballistic missile through which we had no means of defending.

For 30 years this country has debated back and forth about whether to build such a defense, through many, many administrations, and we have never chosen to do that, for a variety of reasons,

but mostly it hinged on the extreme technical difficulty and cost of getting a high credible defense and the belief that we could deter such attacks by having very strong nuclear forces ourselves.

We still have those nuclear forces which were built originally to deter against a threat from the Soviet Union. They have important residual value. One is if the threat in Russia should ever reemerge. The second is if the Chinese were able to develop an ICBM capability and, for whatever reason, choose to threaten the United States with it.

I do not believe there is any plausible national objective to the Chinese launching a missile at the United States, but in any event, we do maintain a very, very powerful deterrence to that happening.

In the case of countries which might not be so susceptible to a national deterrence, Iraq, Iran, Libya, they do not have the capability to launch an ICBM, and I don't believe they will have the capability any time in the foreseeable future.

In any event, if they started moving in that direction, our intelligence is good enough that we would have adequate time to respond to that in a variety of ways, and I would not limit our response to building a defensive missile system. That would be one of the ones we would consider but by no means the only one we would consider.

Finally, we are developing a national missile defense system. It will be ready in 3 years for a decision as to whether we want to deploy that system. The system that we are developing today is limited in capability. It would defend only against a relatively small scale attack. As I see the technical features of the system, it would defend opening the 48 contiguous States; it would be dubious whether it would provide any defense to Alaska and Hawaii. So it is a very limited system.

When it comes time to deploy, we need to determine what the threat is to the United States, what sort of investment do we want to make in building defenses, and what capability do we want. We want a better system than the one we are now developing.

I am sorry, it was a complicated answer, but it was a complicated question that you asked.

Mr. BARTLETT. I know my time is up, but I would just like to note, sir, that in spite of the statements you have made, you all are proposing to cut spending in this area rather than, I think, what most citizens would like, to proceed quickly to develop a capability here, because they feel very vulnerable, exposed to the reality that we cannot defend ourselves even against a single ICBM, which I think is a more likely threat than a massive assault from a—

Secretary PERRY. We are moving rather expeditiously to get the capability to defend against a limited attack of that sort.

Mr. BARTLETT. But they don't see that we are moving expeditiously because we are cutting funding. I think that doesn't send a message of comfort to the people.

Secretary PERRY. The system will be ready for deployment in 3 years.

The CHAIRMAN. Mr. Tanner.

Mr. TANNER. Thank you. I will be brief.

I want to thank the Secretary and General Shalikashvili and the entire staff that is with you for your dedication to duty, for your

forthrightness, for your intellectual honesty and sincerity. There are members of this committee who extend to you that same degree of intellectual honesty and sincerity that we claim for ourselves on this side of the desk, and I thank you for being here and for the job that you are doing.

I have two things, Mr. Chairman. We talked sometime earlier about some Workers' Compensation coverage on overseas contracts, about packaging those like the State Department did. It was an area that we identified on the subcommittee as a way to save a little money. We have corresponded about it.

Due to the lateness of our authorization bill last year, you all were directed to report back on March 1 on this matter. I realize you probably can't meet that deadline, but if you could look into it I would appreciate it.

Secretary PERRY. We will look into it.

Mr. TANNER. It might be a way to save a little money. It has to do with a master package for overseas contracts rather than each contractor doing their own, so you get some economy of scale.

The other question is about reactive armor tiles. We put \$14 million in the defense authorization bill last year to try to develop a domestic source for reactive armor tile. We need those in Bosnia now. I am told that we may have to use some of that money to go ahead and procure externally those tiles, but I would like, if you could sometime, for somebody to give us an update on where that one is.

Secretary PERRY. We will get you the answer to both questions.

[The information referred to was submitted for the record.]

General SHALIKASHVILI. The reactive armor in question is for Bradley Fighting Vehicles. The Army has a requirement for 178 sets of Bradley armor tile. In FY96, Congress provided \$14 million for procurement of "one Battalion set of Bradley armor tiles". Subsequently, a request citing an urgent need for 82 sets of Bradley armor tiles was received from USAREUR in December 1995 in support of US Forces in Operation JOINT ENDEAVOR. This request was approved by the Army in January 1996. After reviewing options for expedient procurement, it was determined that Rafael Industries, Israel, with whom the Army had an open armor tile contract, could provide additional sets in the fastest time possible. Given additional funding, the Army intends to complete procurement of the 178 tile set requirement and to establish a domestic source.

Mr. TANNER. We have corresponded with you about it.

Secretary PERRY. Those are both valid points.

Mr. TANNER. I want to compliment you on the work that is going on on the total force concept both as to mix and the mission. I think what you have done is light years from where we were and is the right step, and I want you to know that not only for the active component but speaking for the Guard and Reserves, I think you are doing wonderful work in that area and I want to congratulate you for it.

Secretary PERRY. Thank you, Mr. Tanner. We are dedicated to the Guard and Reserve components in our forces. They give us the total force we are talking about.

Mr. TANNER. If you can satisfy Sonny, you will be doing well.

The CHAIRMAN. Thank you. We better break for this vote on the Cuba resolution and come right back.

[Recess.]

The CHAIRMAN. May we please come to order.

We will go ahead and get started.

Mr. Chet Edwards of Texas.

Mr. EDWARDS. Thank you, Mr. Chairman.

Secretary Perry, General Shalikashvili, thank you very much for your testimony today and for your leadership in developing a strategy and priorities for our national defense in a very difficult budget time. I respect the leadership that you have provided this country.

Mr. Hamre, thank you for your service to the Department of Defense.

I would like to touch on one point and then focus on the issue of Army force structure.

Last year, I raised the question in these hearings about impact aid, and I would just like to once again request that you work with other administration officials, particularly in the Department of Education, to keep an eye on what is going on with impact aid.

There has been great interruption of education of military children in the last 12 months. Even today as our military-related school districts are trying to plan for next year's budgets deciding how many teachers to hire, they cannot depend on any dollars for impact aid. And I think it would be a tragedy, the fact that you worked so hard to support quality-of-life issues, that you would pull the rug out from under the education of the children of our military families. I can think of few things that would be more important to the morale of military families than seeing that their children will get a first-class education, and if we further cut impact aid through the Department of Education, I think that is going to have an adverse impact on the good work that you are doing for quality of life and morale for our military families.

On the issue of Army force structure, I guess the first thing I would want to say is that I think I can speak for Members on both sides of the aisle in saying that there is a lot of concern of moving the Army from 495,000 to 475,000, and I think at a future date perhaps others will have an opportunity to talk to you about this.

My question, General Shali, you mentioned that, I believe, if a decision were to be made to go down from 495,000, do I understand you correctly in saying that we would not reduce the number of Army divisions below 10 in terms of active duty or would that actually be one the options in going down to 475,000?

General SHALIKASHVILI. I think it is absolutely essential that whatever we do with end strength, we do only if we can preserve the Army force structure, that is the 10 divisions, and the units that it takes to support those 10 divisions. It is easy to talk about the 10 divisions, but we have to remember that is just the tip of the pyramid.

There are lots of support units that are below that supporting that division. And that structure must remain as it is because I think it is the minimum structure that we need to execute the task that we have set ourselves, to be able to fight potentially on two separate parts of the world.

It is only if we are clever enough to cut end strength and retain the same capability that I think we can proceed. And whether you cut that strength inside the fighting force, that is inside the divisions because you have restructured the divisions because of increased capability of the equipment, or whether you do that in the

TDA part of the Army, depends only if you can retain the capabilities.

Mr. EDWARDS. But you would not go below 10 divisions?

General SHALIKASHVILI. Absolutely not. I would urge the Secretary in the strongest possible terms to not go below 10 divisions.

Mr. EDWARDS. Could I ask you and the Secretary what the times and the process is for making this decision? For example, I assume such a decision would not be made this fiscal year since in our authorization bill we have a floor on the Army force structure of 495,000.

Could this decision to go down to 475,000 be made as quickly as the fiscal year 1997 fiscal year?

General SHALIKASHVILI. No.

Mr. EDWARDS. What would be the earliest possible time that decision would be made?

Secretary PERRY. Probably fiscal 1999, and only if it met the conditions which General Shali has stated, that is the challenge, which the Army Chief of Staff has to see if he can transfer money from his personnel account into a modernization account, but maintaining the force structure and maintaining the fighting capability.

Mr. EDWARDS. How much extra money would it require, just in ballpark figures, to maintain the Army at 495,000, rather than going to 475,000, if you had an add-on in the Defense budget in the fiscal year 1999 budget?

Mr. HAMRE. It is about \$1.1 billion.

May I reemphasize, Mr. Edwards, that we do not in this budget anywhere in the FYDP cut the force structure. The 10 divisions and the OPTEMPO associated with the 10 divisions is fully funded throughout the period.

Mr. EDWARDS. The ball isn't rolling downhill, at this point, so that when we get to fiscal year 1998 or 1999, it is not a complete decision at that point; is that correct?

Secretary PERRY. That is correct.

Mr. EDWARDS. And that really answers my final question, that is my hope would be that this committee, as well as the leadership in the Department of Defense, would work together in looking at that decision. Because I really do think there are a lot of members on this committee that feel strongly about that, have great concerns. Perhaps you could ultimately answer all of those concerns. But I hope we could be informed prior to a decision being made rather than after the fact.

But apparently we have some time to look at that issue. And I know the constraints you are working under, trying to balance readiness, modernization, and force structure, and I respect that. But that answers my questions. And I appreciate that.

Mr. Chairman, I yield back the balance of my time.

Secretary PERRY. Mr. Edwards, I can also say I appreciate very much your calling attention to impact aid. This is a program not well understood, but is a very important program for the morale and well-being of our service people.

So I thank you in your interest and attention to that.

Mr. EDWARDS. If you could help.

The Department of Education, for some reason, it gets into every President's budget to zero-out impact aid for off-post children. And

those children deserve a good education just as on-post children do, considering the sacrifices they make away from their families.

Thank you, Mr. Secretary, for recognizing that.

The CHAIRMAN. Mr. Saxby Chambliss from Georgia.

Mr. CHAMBLISS. Thank you, Mr. Chairman.

And, Mr. Chairman, before I address a question to this panel, I would like to make just a brief comment to the committee, that every year the Georgia National Guard comes up to Washington for a day with a lot of guardsmen and they bring with them their employers, and the purpose of that trip is to recognize the employers of their guardsmen.

For the last 3 years, they have had a luncheon in which they recognize a public servant who has been a real friend to the Guard and give that individual an award that is named in honor of a great Georgian named Sam Nunn. The Sam Nunn Award has been given to a couple of members of this committee who have been real friends of the Guard.

My good colleague, Congressman Dellums, and our friend Sonny Montgomery, have been recipients, and your colleague from South Carolina, Senator Thurmond, was the recipient last year.

Today at the luncheon, I was pleased to attend that luncheon and was very happy that the recipient this year was Secretary Perry.

Mr. Secretary, again on behalf of myself and all members of this committee, we congratulate you and we appreciate the service you have given to your country, and in particular to the Guard.

Secretary PERRY. Thank you very much, Mr. Chambliss.

I might say, I was not only honored to receive the award, but I wanted to point out that more than 100 Georgia guardsmen came up for this commemoration on their own time and at their own expense. And the dedication of the Georgia Guard is an example for the Guards all over the country.

Mr. CHAMBLISS. And those employers, too. We couldn't do it without them.

Gentlemen, let me just echo the thanks that you have received already for coming here today to talk with us. And I have listened with great interest to your testimony today. And I also listened yesterday to your testimony before our colleagues across the Capitol.

And let me first say that I am deeply disturbed about your proposed fiscal year 1997 procurement budget. At \$13 billion, it represents a full \$21 billion shortfall which even you acknowledge will be necessary for modernization of the services in the future.

What disturbs me even more than the meager budget for fiscal year 1997 is your proposition for the future, because while you promise a ramp-up of procurement spending in the outyears, I would argue this ramp-up is based on unrealistic savings.

It is wrong to make the modernization of our force and indeed the adequate equipping of our men and women dependent on anticipated saving from the BRAC and acquisition reform. Furthermore, how are we to believe at this point in time that this President will keep his commitment this time around that defense spending has, in fact, hit its floor?

Once again, it seems that where defense is concerned, the President has sought the politically popular position, and in this budget, it is the 3-percent pay raise for personnel. Yet at the same time, the President has failed to provide the same personnel the resources necessary to do their job in the form of modernized systems.

Now, I hope on another subject that I want to particularly address, I hope the message is being received loud and clear that there is strong bipartisan opposition from the Hill to wholesale privatization. It has been addressed by at least four other members of this committee today on both sides of the aisle, and I again want to express my strong reservation about wholesale privatization of our armed services.

I would not have raised this issue but, Mr. Secretary, you mentioned in your remarks that major opportunities exist for the Department to operate more efficiently and effectively by turning over to the private sector many of the noncore activities.

Now, if you would, would you please elaborate on your personal view of what constitutes noncore activities, and can I assume from your comments, your printed comments, that you recognize the importance of maintaining an organic core capability for the support of our war-fighters?

Secretary PERRY. That is exactly correct, Mr. Chambliss.

Let me rephrase what I said in the printed comments to emphasize that we will maintain an organic core capability. That is at the heart of our plan. And as I commented in my answer to Mrs. Fowler, the opportunities for privatization have to be select and we have to pursue them very carefully.

We have to demonstrate that we are going to get more efficiency, not just in the short term but in the long term as well. It is a very difficult test to pass but I believe we can pass it with more examples than we have undertaken to this date.

Mr. CHAMBLISS. Thank you.

I yield back the balance of my time, Mr. Chairman.

The CHAIRMAN. Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman.

And I want to thank the Secretary and Chairman of the Joint Chiefs for sticking around so long. I know you are extremely busy people, and I appreciate you being here.

Secretary Perry, in your prepared statement, you briefly touched on our role in the Americas and presumably Latin America. I was just curious, what is your opinion of what we should do as far as a post-2000 presence in Panama?

I am of the opinion that if the American taxpayers have paid the \$30- to \$40-billion to build most of those bases, the ones that have been reverted, in most instances, are looted or abandoned in short order. I would hope it is the Department's policy to try to negotiate something with the Panamanians for a continued American presence there. I think it is a part of the world that we should not be ignoring or turning our backs on. That is question No. 1.

Question No. 2 is you mentioned the need to go from base closure being a loss leader to at least breaking even and, hopefully, at some point making some money.

I want to personally bring your attention, because of your capacity, to the Mississippi Army Ammunition Plant built at anywhere from a \$600 million to a \$900 million cost to the taxpayers, closed during the Bush administration as a preview to BRAC, and to this day, still a drain on the resources of the U.S. Army, anywhere from \$4 to \$15 million a year.

It is my understanding they are even paid to market the plant, whether they are successful or not. And I don't know of a single salesman in the world who is paid that way. I am sure hoping you would take a look at it and examine the opportunities of selling it.

I have been told repeatedly by the Army Materiel Command that even when they go back to the 150 millimeter round in the future, they are not considering using this base for the manufacture of that round. And if you are not going to use it, sell it. It is in an ideal location near a barge canal, rail line, two interstate highways. It is a waste of taxpayers dollars. And, again, the approximately \$4 million a year that the contractor gets to babysit it is a drain on your budget. It doesn't do anything productive.

I would also ask you that in your different arms initiatives, as we have the closure of facilities and as equipment becomes available, I would hope that you would take a look at making some of that equipment available to our Nation's shipbuilders, especially the big six that do almost entirely defense work.

I think it would be a very logical thing for us to do to help them with their infrastructure. I know that one of the first things that one of the yards did with the national shipbuilding plan, where we included a loan guarantee program, was go out and purchase some cranes. There is not a doubt in my mind that there are some cranes available in a closed facility. There is no sense in wasting something that the taxpayers have paid for. And above all, if they can use some of this equipment to get back into commercial work, it will lower their dependence on the Nation and the taxpayers and provide a lot of good things.

I hope you could respond to some of those things.

Secretary PERRY. Before I do, let me ask you to, if you could elaborate a little more on your ideas about Panama. I am very interested in what you were saying.

Mr. TAYLOR. I have been down there a few times. I am always amazed as you fly into Howard Air Force Base, over 13,000 ships a year go by Howard and Rodman and go right by the jungle school, and I think it sends a message not only to Latin America but to the world that we are still actively involved in the world; that we are not going back to fortress America.

I have been told by two commanders of SOUTHCOM by General McCaffrey and General Joulwan, that the infrastructure we have invested is between \$30 and \$40 billion.

I have toured the School of the Americas after we had turned it over to the Panamanians, and it has been looted. There is nothing left. The wiring is out of the walls. The marble is off the walls. The aluminum that holds the panels to the ceiling, it is gone. And it is just a waste.

So, I would think that we as a nation would be well served to have some sort of a presence. As you know, the treaty required us to leave by September 31, 1999, but poll after poll has shown that

the Panamanians would like us to stay. I think it sends a message to Latin America that we are still involved in that part of the world and we are not spending all of our time looking at Europe or Asia.

I would hope it would be your suggestion to the President that we try to do that. I realize SOUTHCOM is not going to stay there, but an American presence, in my opinion, should.

Secretary PERRY. Thank you very much for those comments.

General Shali and I discussed at some length the desirability of maintaining some presence in Panama.

I will ask him to comment on that.

General SHALIKASHVILI. As you said, Mr. Taylor, the headquarters for SOUTHCOM will be moving to Miami. But we do believe that a continued United States presence in Panama is potentially beneficial to Panama and to the United States.

Although we don't have vital interests there, we do have deep interests in the area, as you said. So, we have been prepared and have mentioned to the Government of Panama that we are prepared to enter into discussions leading in that direction. And, ultimately, though, the decision has to be the Panamanians'. But I believe that they will understand and do understand that there is considerable value and interest for Panama for continued United States presence, but it is a delicate issue and we need to work that carefully with their government, and that is being done.

Mr. TAYLOR. Well, I hope so, General, because time is running out and it strikes me like an eighth grade dance, where both parties want to dance but no one has the nerve to ask the other one to do so. I think at some point someone has to ask the other one to dance.

General SHALIKASHVILI. We have done so. I have been in discussions myself with the Government in Panama on this issue. We have looked at our turn-back program very, very carefully. We know exactly how much time we have left for each particular installation, what the final installations would be that we would wish to retain. We are cognizant of that.

On the other hand, we do not wish to put the Government of Panama into an awkward position right now and we want to make sure that we derive an answer that is mutually beneficial, but I share your view on the importance of Panama.

Secretary PERRY. I will be in Panama, as it turns out, later this week, and you may be sure that discussion will come up.

Mr. TAYLOR. And again, I sure hope you will take the time to put the Mississippi Army Ammunition Plant on your radar screen. We need to get off of dead center.

Secretary PERRY. I took very careful notes on your points there.

The CHAIRMAN. Mr. Tejeda.

Mr. TEJEDA. Thank you, Mr. Chairman.

And thank you very much for your testimony and your emphasis on readiness as the number one priority. I listened closely when my colleagues spoke about the closure of some of our bases and the perceived threat to readiness if privatization comes about. I feel the need to respond to these sentiments because there are some of us in Congress who agree with your privatization initiatives and want to help you succeed in these efforts.

And we will work with you on a bipartisan basis—let me repeat that—we will work with you on a bipartisan basis in an effort to make privatization work.

The fact is that BRAC's final recommendation gives you the latitude to privatize these workloads. And I look forward to examining this matter more closely with the Service Secretaries and later this year, within the Readiness Subcommittee.

One question I would like to ask and would like for you to answer is what are our readiness concerns if privatization does not happen? I would imagine that there are cost implications as well, because some of the work at Kelly would require significant MILCON dollars. I can sympathize with my colleagues who are concerned about the future viability of their depots. But can you assure them that current privatization efforts will not jeopardize the future of their depots?

And one last question: Can I assume, Mr. Secretary, that some core workload will be performed by the private sector and that some noncore workload will be performed within the depots?

Thank you, Mr. Chairman.

Secretary PERRY. Mr. Tejeda, our plan on privatization is to proceed on it deliberately, but also very carefully. Our plans are that the core workloads stay at the depots, that is almost our definition of the word "core." But we still see opportunities for privatization beyond that. And significant savings which we could achieve by pursuing them. And I look forward to working with you on a bipartisan basis to achieve those.

There is a fair amount of resistance to privatization, some of it is very objective reasons; namely, they question whether the efficiencies can really be achieved. And other objections to it is just basically people trying to protect their own depots or their own jobs. So it is a difficult political problem to work. We are proceeding on it but on the basis that we can achieve important efficiencies in some specialized areas and we are going to try to do those.

Failure to do that probably has some effect on readiness, but the effect is probably more directly on our modernization account because of the way we set up the priorities, in our budget we protect readiness, and so the account that suffers the most if we don't succeed in privatization, if we don't succeed in BRAC, and we don't succeed in acquisition reform, what gets hurt is the modernization account.

General SHALIKASHVILI. The only point I would make, Mr. Tejeda, is that privatization does not necessarily have to look only at depots. There are other things that we do and run that we ought to explore whether they cannot be done more economically if it is turned over to the private sector.

For instance, we do have, in some instances, where bases are run by private contract. And, in some cases, have been very successfully done cheaper by the private contractor than if the military were to run it.

So, I would hope that we can be very open what it is we can look at that is not core, but not core in the sense that we talk about the core work in a depot, but core to our business. Obviously, we are not going to privatize our business of war-fighting, but there are other things that we do that perhaps we could.

Mr. TEJEDA. Thank you very much.

The CHAIRMAN. I thank the gentleman.

Mr. Abercrombie, the gentleman from Hawaii.

Mr. ABERCROMBIE. Thank you, Mr. Chairman.

Mr. Secretary, I have two points I would like to make and just an observation. I think it was in the 1970's that I first came up here as the chairman of Education Committee in Hawaii on impact aid, trying to fathom the rationale for having a Department of Education have responsibility for the educating of military children within the boundaries of the United States when we were assuming the full costs overseas.

And I do think that should become an item in the budget. And I just find it reprehensible, very frankly, that people would see the education of the children of military personnel as somehow detracting from the budget of the armed services of the United States or that children are somehow depriving some element of the defense budget from its rightful due.

I think they—any quality-of-life commitment, it seems to me, should include the education of children in today's world, in today's armed services where families obviously are not the exception; far from it. That is the observation.

With respect to page 10 of your testimony, and in reference to figure 12, that has to do with the pay. I will make an observation there. You need not answer, and I don't know if General Shalikashvili would want to answer necessarily on it.

I have for a long time been a proponent of a cash increase in pay as opposed to a percentage increase, particularly given the gap that now exists over the last decade or so between those at the upper level of income and those at the lower levels.

My point being, I won't dwell on it. I have, and I am sure it is available to you, the 1995 Basic Pay Guide, and if you start at the 854, at the bottom of the list, and members with about 4 months of service, going on through your A-5's with 4 years, I have got examples to myself, you start at, roughly, \$10,000.

I am leaving out the basic allowance for quarters and dependents. Roughly, \$10,000. If it is 3 percent, it is about \$300. If you are up at the upper levels, like I say, A-5 with 4 years, you are at \$380; if you are at, roughly, \$60,000, with 20 years of experience as a colonel, you are probably \$1,860. When you are up in the general officers, it is about \$2,400; eight times more.

My point being that there is a pool of money there for pay, and all I want to do is to suggest to you that maybe for at least a period of time we consider a cash increase, \$1,000, whatever it would be. Obviously, it would be, in percentage terms, a lot more down at the enlisted members' ranks, at beginnings and middles, than it would be at the top. But I think it would help to offset some of the disparity which surely exists as much in the armed services, because the dollars spend the same way; right? As to the gap.

And this is not something I am suggesting merely to you, I suggested it to Federal employees and to other unions and people who are interested in collective bargaining. I feel very strongly that is something at least that should be looked at.

My final point has to do with the presentation on page 4, in particular, and then on page 8. Asian-Pacific receives two sentences in

the whole presentation, yet we see NATO, Warsaw Pact, Soviets, Marshall plan, and so forth, over and over and over again all throughout the presentation. In the Asia-Pacific, two sentences. There is no mention of Okinawa in the context of the Japan/United States security arrangement.

Again, just an observation, I feel this is crucial. I think it is unfortunate when we have military officers making comments at this particular stage before the President meets with the Prime Minister Hashimoto in April. I think that this situation is resolvable in a way that meets all the interests.

I am familiar with the Okinawa situation. I certainly won't go into a lecture on it at this point; just to make the observation that the people of Okinawa are very pro-United States. They are very pro-American. They want to have our presence there. But they also need to have and should have a recognition that the war in the Pacific is over, World War II is over. They don't want to be treated either by default or design as an occupied territory in Okinawa.

And I think with some sensitivity to the context, political, economic, and social in Okinawa, we can arrive at a solution there that would be to the interests of the—the security interests of Japan and the United States as well as in the mutual interests of friendship into the 21st century that would take into account the legitimate questions that have been raised, desires and hopes of the people of Okinawa.

In that context, I say I don't think at this stage it does a lot of good for pronouncements to be made, if you will, to the Japanese people or the Okinawan people by our side, at this stage, pending further negotiations, which I am sure you are closely involved in and which I appreciate being informed of through the special committee liaison that you have established.

Secretary PERRY. Mr. Abercrombie, on the first point you made relative to the compensation, I think that is a very interesting proposal. As you probably know, we have a quadrennial commission that meets every 4 years. I will be sure that this proposal comes before them, because this is the right time for considering.

Mr. ABERCROMBIE. I am familiar with the commission. I have not seen the commission's report, but I am afraid it just speaks in the usual terms of percentage increases. And if it is going to be percentage increase, let's give a boost at the bottom and middle.

Secretary PERRY. We will look at that.

There are also some legal constraints that we operate on on these pay raises, too.

On the other point, I accept the criticism of the text report. It does not, however, reflect that I have a European as opposed to a global orientation. I am very much, as you well know, interested and concerned with the security problems we have in the western Pacific.

Next month, in fact, I will be having my second meeting in 6 months in Tokyo and Seoul, and between those two meetings, there have probably been four or five meetings, either in Tokyo and Seoul or in Washington dealing with the whole set of security issues, not the least of which is the problems relevant to basing in Okinawa. So, it is a matter very much on my mind and on General Shali's mind as well.

Mr. ABERCROMBIE. Thank you.

Mr. DELLUMS. Mr. Chairman?

The CHAIRMAN. Yes.

Mr. DELLUMS. Mr. Chairman, might I claim my time at this point? I have got to make a quick appearance somewhere and then I will return.

Thank you very much, Mr. Chairman.

So far I have observed, Mr. Secretary, General Shali and Mr. Hamre, that there clearly are four issues that will be contentious as we proceed with the markup of the fiscal year 1997 authorization bill, and one of them, privatization, I will not get into. Several members have spoken to it.

There is one issue that will arise that is reflected in the comments of a number of my colleagues here today. We are taking too many dollars out of the Department of Defense. There is not enough money in the top line. Not enough is being spent on national security.

My view is that these comments and this challenge emerges from a very narrowly constructed notion of what is indeed national security. In fact, this committee is called the Committee on National Security as if this is the only committee that addresses the totality of our national security agenda and indeed our national security strategy.

I would beg to differ. I believe that the post-cold war era now allows us the opportunity to structure a different national security agenda and establish a different set of national security strategies that involve at least minimally three elements. A healthy and vibrant American economy, which is based upon a well-trained, educated, informed, healthy citizenry, based on the notions of a strategy that invests in scientific, technological advancements and a commitment to a conversion strategy.

A second component of our national security agenda and/or strategy is the development of a foreign policy based on the notions of a commitment to democracy, human rights, economic development. A commitment to engage the world in what I choose to call preventive engagement or a strategy designed to prevent war by increasing stabilization, addressing myriad human problems in the world that give rise to war, and third, an adequate military force. And that many of my colleagues in challenging the top line of the military budget are not looking at the military budget, as I think you are, and that is A, in the context of the totality of our budget; and B, in relationship to other parts of the budget and the strategies that evolve in the other parts of the budget, and the extent to which they are prepared to do that, then these notions about we are not spending enough here, and taking too much money out of DOD begins to dissipate.

The B part of that, it seems to me, is that many of my colleagues hammered the table that it now must be an integral part of our national security strategy to balance the budget and do so in 7 years. It would seem to me that people who have made that a national priority who believe that the military budget must stand outside that calculation are living the life of an ostrich and are not addressing the reality, and as we come to the table to look at the to-

tality of the budget, then the military budget has to be perceived in that context as well.

So, the second contentious issue as I see it is going to be how much is the topline.

Another contentious issue is going to be why have you lowered the procurement budget?

And as I understand it, and last night I tried to stay awake and watch the cable rebroadcast of your presentation before the Senate, and it seems to me, Mr. Hamre that, you pointed out that at least \$4 billion are constructed as follows: \$1.6 billion was because you recalculated inflation; \$2 billion was a bookkeeping function, that is you carried \$2 billion worth of programs that you decided looked more like research and development programs than they did procurement, you simply shifted the money in a bookkeeping fashion; and \$400 million, because my colleagues in the House and the Senate added on moneys in the fiscal year 1996, for a total of \$4 billion change, which would not allow you to lower purchasing power. These were simply shifts.

And that the B part of that is that in lowering force structure, there is greater reliance on the inventory which allows you at least one more year of the so-called procurement holiday, and that does not, as you perceive it, threaten long-term readiness. That is an issue that is going to come up. We have to continue to try to clarify that.

The third and final issue that I would raise that clearly is a contentious issue, there are even focus groups on it and that is our national missile defense. And when you are out there pumping up focus groups, it is clear that this issue has moved beyond programmatic consideration, national security consideration, and has entered the arena of politics. In that regard, I would like to make several comments.

First, the gentleman from Pennsylvania, Mr. Weldon, is indeed correct. I was more than prepared to stand with him in seeing to it that witnesses from the administration come here, A, because I am committed to a vibrant, open and fair exchange between the executive and legislative branch, but I would hasten to say to you, Mr. Secretary, B, was because I knew to a moral certainty what your response would be, and that is that people are free to come here and testify; that the posture statement has been made against that backdrop, we can have a free and open exchange.

Second, I would like to say, Mr. Secretary, that I appreciated your response to my elaboration this morning with respect to China, because I think every time this issue arises that it is terribly important for people in this country to understand what we perceive to be the threats, what the timeframe of those threats are, and to lay out in clear and unequivocal what the nature of this program is.

And so each time the questions get raised, I would ask the administration to lay out in minute detail every single aspect of this issue, because comments will be quoted out of context because, in my humble opinion, and in the spirit of candor, I think there are some narrowly focused views on this issue.

So, to summarize, national missile defense will be a contentious issue, and unfortunately, it will be a highly politically charged

question rather than a focused, bipartisan, reasoned approach to this problem.

The national budget is an issue, and I hope that you would comment on my observation in that regard, because I see the military budget in a much larger context. I think, too, many people are narrowly focused and we are arrogant enough to think that this committee is the only committee that deals with national security, given its name.

And finally, as I said, privatization is an issue, and the lowered procurement budget. I lay that out as observations. I have listened carefully over the afternoon. My hope is that those of you, Mr. Secretary, General Shali, or Mr. Hamre, would comment to those issues as I have laid them out.

Secretary PERRY. Thank you very much, Mr. Dellums.

I think you have correctly identified three major issues that come out of this hearing. I will comment very briefly on each of the three.

The national missile defense you suggest is going to be a highly politicized debate. That is probably correct. Nevertheless, I will do my best to present the technical facts as I understand them and hope that this will generate some light as well as some heat in the debate.

Second, the overall budget, we have many things at the Pentagon but we do not have a printing press for generating money and therefore I work within the overall frame of the budget, which is, as I understand, at least is largely constrained by both the view of the Congress and the administration, that they want to have deficit reduction, and therefore within that overall budget, we have presented our best, the best way we know how to know of introducing, first of all, the right choices and priorities within that budget, and second, the efficiencies which we can get through management to get the most out of that budget.

Third, on the modernization program, I would like to see, and General Shali would like to see, the increase in modernization reached sooner than we have it in this budget. There is no question about that. But I think we can—I do very much disagree with the assertions that the numbers we have presented to you were not realistic. They are quite realistic. They were based on our best judgment.

I have resisted for 2 years giving this committee and putting in the budget our estimates for savings from acquisition reform and our estimates from savings for BRAC, because I did not have the basis for those estimates. I do have that basis now, and we are including them, and we are including them in a reasonably conservative fashion. I think the errors in the estimates we made today will probably be on the upside. That is, I think we will probably do better than indicated by those figures.

Those are the three comments I would make on your points.

General Shali, do you have anything further to say on those?

General SHALIKASHVILI. The only point I would make is on two points: One, is not enough money for acquisition procurement. Clearly, it has been brought out here, and there is no magic way to do it. And so while privatization might be a difficult issue, we must not take it off the table, because if done prudently, and if we

cast our net widely, we might find that there are savings in privatization that can then be applied to the war-fighting capability of this force.

As far as the issue of the procurement itself is concerned, I cannot stress strongly enough how important I feel it is that we put a nail on the wall of what it is that we need to sustain our procurement accounts over time. I feel comfortable that at \$60 billion a year, it is more important to me that we reach that agreement and work toward that goal than whether that occurs in 1999 or 1998 or 2000.

Sooner the better, but more importantly, that we have that nail on the wall, that we agree upon it and that we work toward that goal, and with your help, and what we can get out of BRAC, and acquisition accounts, privatization, outsourcing, and so on, we might just surprise ourselves and make it.

Mr. DELLUMS. Thank you, Mr. Chairman.

I would move out for just a few moments and I would ask Mr. Taylor to resume the responsibility of ranking member in my absence.

The CHAIRMAN. Thank you very much.

And while we are right there, let me put my 2 cents in on this business. I have been holding off, too. But mainly, they concern modernization.

And I was observing from the chart—and, Mr. Chairman, you just mentioned about putting that nail on the wall, and it is important to try to do it, and it is not as important whether we do it 1997, 1998, 1999, or 2000.

I saw from that chart that the topline still declines in 1997, 1998, is even in 1999, and 0.5 goes up in 2000. I ask the question, you know, who are we obligating to do all of these things in these other years? We can only speak for ourselves right now, you know.

With the good job that both of you do, I don't know if you are going to be around in 1998, 1999, or 2000. Are you giving that job to somebody else?

The same thing goes for the Commander in Chief. It might be a different administration. He has only promised and you have promised to do these things if you are there. And past experience has proven that even that doesn't hold too tight sometimes. It tends to shift out.

We keep putting it off to somebody else's watch. So I ask the question: What assurance have we got that we are ever going to do the modernization that we all agree is so important?

And aside from that, I was just thinking, too, Mr. Secretary, about answering this question, and it is a relevant thing, I think. And I can understand your position, you have answered Mr. Hunter this morning about the additional funds that we add to the budget mainly in modernization. And I was pleased to hear you say that a lot of these things that we did last time were for things that you had in the budget, but you just had them at a later time.

But I can understand also that you have to go along with the President's overall budget, and that affects your topline, and your modernization plans. I can understand that. That is your job. You are down there representing the President of the United States. He

appointed you to that job to uphold his budget and his view of the world.

I couldn't expect you do anything else but that. And you do a good job of it. As does the chairman. And I have said before, privately and openly that I respect you for the job you do. That is a job that you are there to do.

But—and I know you can't and I won't put you on the spot and make it even appear that you are not supporting the President's overall budget, but what if we do, in fact, have an addition to the topline again, no matter how it works into the President's overall budget?

When you and I sit down to review some of these things, can we get your best advice on how we can spend this additional money when the promise has been fulfilled and that we actually have it, regardless of what the President says?

In other words, we can turn it down or can you tell us how we ought to use it? That is the question that I am asking.

Secretary PERRY. Mr. Chairman, I do as you say, represent this budget for the President. I also represented it to the President, because I believed in the budget. So, I am not over here simply saying what he wants me to say. I am saying what I believe, and I think that is an important——

The CHAIRMAN. Just happens to be the same.

Secretary PERRY. There are some problems in this budget. My obligation to you is to describe those to you honestly, as well as the good features of the budget, so that we can have a fulsome debate on those.

You are also correct in saying that even though we submit this budget for 5 years into the future, as well as the coming year, that many of us will not be around to see that implemented. The best chance of getting a program like this implemented on to the future is that it be fundamentally sound when it is prepared so it will best stand up under criticism.

In that regard, I notice and I call to your attention that for the first time we have included all the way through this budget a pay raise. We know it is going to happen. We believe it is the right thing to happen. But we have not done that in the past. We are doing it this year. We have also included funding for the planned deployments for the first time. That gives a soundness to this budget.

We have also included full funding for all of the training. So, this is a budget which is as a fundamentally sound budget. The disagreement on the budget we are talking about is some of you want a more robust national missile defense program. That is a fair subject to debate. But we lay it out for you straight and honest.

Some of you want more money in the modernization account or want that moved up sooner. That is a fair subject for debate. But this is a fundamentally sound budget and it is an honest budget.

So, those are the principal comments I would make in response to yours.

The CHAIRMAN. I appreciate that.

And as I said, you just mentioned some things a while ago, too, that we are doing now in this new budget that you presented, funding for contingencies, for instance, and the other things you men-

tioned a while ago, a lot of those this committee has urged you to do. And I think we have found agreement on that for doing those kind of things. And so we have worked through a lot of these things.

You are right, we are going to have some honest disagreement on things and we are going to have this debate on the national missile defense.

My colleague, the gentleman mentioned that it got into the realm of politics. I would suggest that there might be a little politics on both sides of a question like this.

I can't just say that one side is politics and the other is not. Any issue that affects the American people and is not being handled to the satisfaction of all the people, you are going to find the difference of agreement, and it is going to be political and it is going to be exploited; the fact that people are not doing what they are supposed to do.

And if that is political, then thank God for more politics. That is the only way we have of forcing the people to do sometimes what they ought to do, is through politics.

But I don't want to take any more time. I will let Mr. Dornan be recognized because he is next.

Mr. DORNAN. Gentlemen, Mr. Hunter and Mr. Weldon told me I should give you softball questions so you would want to come back in the future, so I will stay on personnel matters for a while.

One predicate, though, I just came back with four members of this, three other members of this committee, Mr. Stump, one of our senior members, chairman of the VA, and Mr. Doc Hastings and Mac Thornberry, four of us and five other members on a bipartisan trip between Tulza, Taszar, and Kaposvar, and our two overriding impressions, I think I speak for all of us on this committee, were the utter professionalism of our people there and the hemorrhaging of money that is going to take place, whether or not we run into the worst scenario, that Mr. Weldon outlined a few months ago, or my optimistic scenario, that the competing and killing forces there would so respect our overwhelming force that the casualties would be very low.

And I hope that Sgt. Donald Duggan, nicknamed McGuyver for his bravado, you put tough men with bravado in a tough scene, and sometimes they push the envelope and get themselves killed. I still think that until it came down definitively as to how we are to diffuse mines, that he is a hero in my book; not someone who was directly disobeying orders, which I don't think it was clear up to that point, at least not down to that level. General Nash told me he was an outstanding soldier, but pointed out that nickname McGuyver, which I heard later in the day.

Here are the personnel questions I would like to ask, I am going to ask all four, and you pick the ones that you want to answer. If we don't have time, we will do it by written response.

In another area your briefing charts proclaim that military personnel reductions are nearly complete as the services reach the Aspin Bottom-Up Review but, in effect, you are telling Congress and the 1.5 million men and women in service right now that the drawdown is over.

As you know, Congress in the National Defense Authorization Act, very controversial, that final signing on February 10, anticipated you and established the strength floors at the manpower levels as a way to ensure that minimally acceptable manpower levels were maintained to meet our security requirements.

I think some of us are disturbed to see the DOD projections that indicated the drawdown will continue below the Bottom-Up Review level after 1997. Apparently, you are going to fund an Army end strength of only 475,000, a full 20,000 below what we in Congress mandated and you folks signed. Air Force will continue drawing down to at least 6,000 below the BUR levels and the Navy will drop at least 1,000 below the BUR levels. So, please address that.

No. 2, is the quality-of-life initiatives. We put in that 5.2-percent increase in the basic allowance for quarters. The Department of Defense promised they would help military personnel living off-post to eventually reduce the, quote, "out-of-pocket," end quote, expenses to a level of about 15 percent of total costs.

To that end, you committed more than \$200 million. We added \$62 million in the aforementioned authorization bill to make a great large down payment on your promise. I congratulate you for your initiative to add a 3-percent military pay raise this year and in the outyears. That is going to make my hearings very interesting in a couple of weeks, because I am still going to continue comparing it to civilian pay levels, and you have really done something exemplary there which will keep the morale up and keep the "hoo-ha's" at about 5 on a scale of 10, whenever the Commander in Chief appears before the troops, at least a 5.

Then, in another area, your briefing charts didn't really get into the health issues, but—Mr. Secretary, you can take this first. In the limited budget materials we have been provided so far, we see an unequivocal promise of strong commitment to maintain the DOD health care system. In contrast, it is an estimated \$600 million to \$900 million that your health affairs staff is calling underfunding and your comptroller is calling it a savings. Please clarify this.

Is the DOD health care system underfunded or not? If so, by how much? And what effect do you think it will have on health care? I am having hearings on that on the morrow.

The final one is, do you support a COLA for our military veterans? In the President's CBO-scored 7-year budget—and, of course, 95 percent of the discretionary spending cuts take place in 6 or 7 years out and we will be running a library in Fayetteville hopefully next year, the President's budget cuts in the military veterans' COLA's are the same way he approached these in 1993. Will you fight against the budget in the COLA area?

There are four questions. If you took notes, fire away at all of them.

I don't know how we are going to fund this great operation in the Balkans that is stopping the killing hopefully longer than temporarily, which is my bad scenario. I think when the snow melts they will still not kill one another. They will just sharpen their knives, oil their guns, and wait until a great United States with its mystique—which I see again intimidating all the countries of the world. They look to us for leadership. When our leadership is gone,

the degrading of U.N. forces and the sniping will probably begin. Let's hope not.

And I think the minute we leave Haiti it blows. As someone said, the Papa Doc mentality is still there. I think it was Mr. Cunningham.

Secretary PERRY. Let me start on the health care. We welcome your interest and attention to health care, including the hearings that you are holding. We believe that TRICARE allows us to give a more responsive service at a lower cost. That is, we believe it is really introducing some efficiencies. We will submit to you our rationale and data that leads to this conclusion, and your committee can come to your own conclusions on that. That is our belief, and that is the reconciliation of the two different forces.

Mr. DORNAN. Mr. Weldon has an interest in the COLA thing. Could you take that next?

Mr. HAMRE. I think we followed the guidance and budgeted to the guidance that was provided in the authorization bill. I think the COLA is funded.

Mr. DORNAN. Not this year. I didn't mean 1997, 1998, and the outyears.

Mr. HAMRE. I thought we brought them into alignment, and I think it is funded. I will get back to you. I hope that is not an issue.

Mr. DORNAN. BAQ, basic allowance for quarters. You know how important this is to the men and women, General, when they are really calibrating what part of their small checks in the E ranks is allocated to housing.

Mr. HAMRE. Let me explain. We had a proposal for increasing it last year. You accelerated that by bringing in additional funding. We annualized that so we maintained that rate throughout the 5-year period and have launched a study—it turns out we don't have good econometric models for what impact this has on our soldiers by having the absorption level being so large. Maybe if we could close that absorption gap it might help us with the housing shortage on post because people would be willing to live off post on the economy.

Mr. DORNAN. Not only is this the most professional force I have ever seen but the sharpest politically. They knew who I am, what I did, and they thanked me for the BAQ increase.

Let's get to the core of the end strength thing. This is the toughest part, personnelwise.

General SHALIKASHVILI. We are going toward the end strength of 1,418,000, I believe is the end strength that we are going to.

On the issue of the Army, whether the Army will stay at 495,000 or 475,000 I think we are looking at whether it is possible to retain the structure in the Army and the capability in the Army and achieve that at a lower end strength.

I happen to believe that it must be possible through two ways. One is to look at the TDA Army to see if savings can be achieved there through privatization perhaps, through outsourcing certain functions perhaps; and on the side of the fighting Army, that you can redesign set units because you have measurably increased the capability of the systems that you have brought into the Army.

I mentioned earlier the increased capability of the tank when you go from an M1 to an M1A1, A2 tank, that you have an 18-, 20-percent increase in capability. So it might be possible to take a 5-tank unit and retain the same capability with only four tanks in the unit.

The other one is we have made tremendous changes that we will continue in the near future with artillery. Must you still have an 8-gun battery, 6-gun battery, 4-gun battery, whatever capability the new system will give you, and through such reevaluations of structure you might be able to retain the same capability within the same 10 divisions, which you absolutely must have, but achieve that at a slightly lower end strength. We have asked the Army to take a look at that to see if it isn't possible to free up money in end strength without degrading structure and without degrading capability but be able to migrate some of that money into the procurement accounts that we have talked about all day today. We must find ways to increase.

Mr. DORNAN. Is that a formal study?

Mr. HAMRE. There is a series of efforts under way. If I may put it in context, the 20,000 represents about 12 percent of the administrative side of the Army. About 180,000 of the 495,000 are in the administrative side of the Army, not combat arms side, not the force structure side. We have proposed no cut in force structure. We have fully resourced the 10 divisions throughout the 5-year period and presume no reduction to combat capability with this. This is looking for efficiencies on the administrative side of the Army, sir.

Mr. DORNAN. That is good news. Keep us informed.

The CHAIRMAN. Mr. Geren.

Mr. GEREN. Thank you, Mr. Chairman.

I want to thank the Secretary, General Shalikashvili and Mr. Hamre. I appreciate all your work and all your time here today. I don't have anything to add.

I am glad to hear so much discussion about the modernization procurement accounts, because when you look at the charts about the aging of all the major weapon systems and you look at all we have planning to come on stream—the F-22, V-22, JAST, F/A-18E/F, Comanche—the list is long and so many of these most expensive parts of those programs are ahead of us. If you don't get to \$60 billion a year until 2002 I just don't see how we meet all these program needs.

In almost every case we are talking about a program that each service has sacrificed greatly in other areas in order to advance those programs, the V-22 with the Marines, the F-22 with the Air Force. They have just put a lot of eggs in very few baskets.

It just seems to me we have a demand—that we are going to get to a point where we are going to have to make a decision to delay a whole bunch of these or build very few of them, and under the current funding profile it just seems it is going to present us some very difficult choices. We might end up with a great showing at air shows, one or two of each, but not able to meet the very highest priorities of each of the services.

If we don't get to that \$60 billion until 2002, do you feel that these major top-priority weapon systems that you have identified

here, can we keep them moving ahead as planned? And if we can't, where do you start to drop things out?

Secretary PERRY. I believe that the program we presented to you will keep these key programs moving into the force.

The difference between the 1997 and 1998 or 2000, reaching the \$60-billion level, is in that one set of curves I showed you, which is the aging of the equipment in the field, that curve will continue to go up until we start serial production of those units; and it will go up for 2 more years before it starts coming down again. That will be the difference. That means for that extra 2 years we will have older equipment and more problems maintaining it, lower reliability rates. Those are the downsides that come from it.

General.

General SHALIKASHVILI. I think we all have our eye on the major piece of equipment that we saw on the charts here today. I think they will be protected. My concern is that there is an awful lot of equipment from trucks to tents to generators, you name it, that also ages through constant use, through training, and that also needs to be replaced. It is more likely that it is in that area that we will not have the money to make the replacements.

So I am trying to keep my eye very much on all the great, great number of equipment that normally does not make the cut and appear on somebody's chart that needs to be replaced as well; and the Secretary and I have watched that very carefully. But that is the equipment that I think is in most immediate danger as we are not able to reach the \$60 billion sooner and have to settle for later.

Mr. GEREN. That is an important point. It is for the same reason we decided to wait until next year to start the ramp up on procurement rather than do it this year, makes me worry that next year will be the same and next year will be the same. You still have the same kind of pressures at work that caused procurement to be funded next year out of savings from BRAC, savings from acquisition reform, and I do hope—we have to have things work out in those two areas that you project, and I hope they prove to be conservative.

I guess I am just glad to see as much concentration of the discussion today focused on the modernization acquisition accounts, because I don't see how all this fits through the funnel as we move ahead. As General Shalikashvili mentioned, a lot of the things that aren't high profile and that don't have somebody banging away for them every day, those are the ones that would get neglected and those with a big constituency around the country and in the Congress would do better and we don't fill the potholes, so to speak.

Thank you.

The CHAIRMAN. Thank you.

We have gone through the first round. Have we gotten anybody that came back? Mr. Hunter is twisting my arm about wanting to prevail upon you to answer a question for him.

Mr. HUNTER. Thank you, Mr. Chairman. General Shalikashvili and Secretary Perry asked me to try to extend the hearing a bit. I want to do everything I can to help out.

Just a couple of questions. I am glad that our distinguished colleague from California is here because I wanted to follow on his line.

The point that I made in my question this morning to General Shalikashvili went directly to your statement that you made a few minutes ago that we need to put a nail on the wall to increase procurement by \$20 billion. That is about a 50-percent increase. The point that I was making and that I would like Secretary Perry to expound upon was this:

If you look at your Vice Chairman of the Joint Chiefs, Admiral Owens' statement before the Senate, he said, doggone it, we put a nail on the wall in 1993 and we moved the nail; in 1994 we moved the nail; in 1995 we moved, and in 1996 we moved the nail. My point to you today is, after General Shalikashvili made the statement that he wanted to see the \$60 billion procurement in 1998 rather than the year 2000, we now get your budget and your budget moves the nail not just to the second term of a Clinton administration but into a future President's administration, past the year 2000.

President Clinton was elected in 1992. Regardless of what happens in this next election, there is no chance that he is going to be around then with his Secretary of Defense.

So my question to you, Mr. Secretary, is how do you expect a future Secretary of Defense at your suggestion—and that is what your outyear defense program is, because you don't control it, do you? You are not going to control the defense program in 2002. How do you expect him to act differently with respect to modernization accounts than the Clinton administration has acted during its tenure in office—that is, to move the nail to the right and give it to the next guy?

Secretary PERRY. I believe that the Secretary of Defense in 2000, whoever he is, can benefit substantially by the legacy that we are leaving him with this 1997 budget submission in several respects.

First of all, it is an honest budget. It includes items in it which we have never put in budgets before that we know are going to be expenses. So it has that soundness.

Second, it fundamentally addresses the key problems we face today that he is going to be facing in the year 2000.

The nail that you are talking about at \$60 billion procurement is not a singular event, as you can see in the chart. We increase each year in getting to that event. So the procurement budget, the modernization budget on this program we have submitted, is increasing year after year until it gets up to that \$60 billion.

The other point—the other critical point in the legacy is whether what we can achieve through success in the efficiencies we are introducing. There has not been much discussion of those efficiencies.

I must say that, as Secretary of Defense, it would be easy to do the things you are asking us to do if we had an unlimited supply of funds. Instead, realistically, we have to try to achieve these with a very constrained set of funds; and, therefore, we have to pay attention to management to try to get at deficiencies.

What we are doing in defense acquisition reform, which has had little discussion here today, is critically important and is the legacy that we are leaving that the next Secretary of Defense will be very pleased to have. We are doing all the hard work in closing the bases. That will be a legacy he will benefit from also.

Mr. HUNTER. One quick point on that.

General Shalikashvili responded to Congressman Dornan that there is a lot of innovation going on with respect to drawing down the number of people in the Army without drawing down your battlefield effectiveness. In the studies that we did, we saw there were approximately 300,000 acquisition people in DOD, professional shoppers, so you have basically the U.S. Marine Corps of shoppers.

This chairman offered a 30,000-person cut in the shoppers under the idea that you don't just draw down the Marines from 18 to 10 divisions and the Air Force and the Navy similarly without looking at your civilian bureaucracy that provides the systems for DOD.

It was like pulling teeth to try to get cooperation, frankly, from your officers. It ended up we had a 30,000 cut. Your folks argued forcefully for no cut whatsoever to our Senate counterparts, and I think in the conference we came up with 15,000. But I would ask in this next session, and I know you want to get these efficiencies, that we spend a lot of time trying to bring down those two U.S. Marine Corps of professional shoppers to help achieve some of these free-ups in dollars for this much needed modernization. We will work with this this year.

Secretary PERRY. I am working that issue. I consider it extremely important. The comptroller will tell you, if there is any person pushing hard on getting civilian manpower down, including defense acquisition, I am leading that charge; and it is being quite successful.

We are going from a civilian work force of 1.2 million not too long ago down to a force of less than 800,000; and the bulk of that, many of those people, are coming directly out of the acquisition force; and they are coming down at the rate of about 4- or 5-percent a year. Also, they are coming down with virtually no reduction in force. Fewer than 10 percent are involuntary, coming out of a reduction in force.

We are doing that, I think, by good management and because of the tools which this Congress gave us in being able to provide incentives to reduce the civilian work force. This is hardly noticed. This is one of the most remarkable developments in Government going on now. Taking the civilian work force in the Defense Department from 1.2 million to 700-plus thousand is a big development, and the key to that is our acquisition force.

The CHAIRMAN. Mr. Weldon has a short comment he wants to make.

Mr. WELDON. Thank you, Mr. Chairman. I appreciate the opportunity to ask one additional question.

Secretary Perry, much of your presentation today focused on the efforts that you are taking, most of which I agree with, with regard to Russia in stabilizing our relationship and working with them in a realistic manner to get them to reduce their armaments and to find ways to work to build confidence with them; and I supported publicly the efforts in cooperative threat reduction funding on the House floor and will continue to do that in this session.

This Congress is playing a leading role in establishing new linkages with the legislative body in Russia, the Duma. In January, I delivered a letter from Speaker Gingrich to the new Speaker of the Duma, Mr. Seleznyev, that asked him to support two new initiatives. One is a Russian Duma-American Congress study group, and

the second is a new Internet capability that will allow us as legislators to communicate with simultaneous translation to members of the Duma.

Specifically within that effort, which the Russians accepted last week when the Ambassador came in to meet with me and hand delivered the response from Mr. Seleznyev accepting our proposal and offering to bring a delegation to Washington on March 18, which we expect to have, we will have individual focus groups where Members can participate aggressively, one of which will be defense and foreign policy.

This builds upon the work of our chairman, Mr. Spence, last year in having a group of us meet for 3 hours behind closed doors with senior members of the Duma Defense Committee. So we are committed to that communication process and to an ongoing effort of reaching out to the Russians to help them understand why we are doing some of the things that we are doing.

In fact, hearings in our subcommittee include having our missile defense people and the Russians sit side by side and talk about joint missile defense research that has been ongoing, funded by BMDO; continuing to fund programs the Russians are using with the Navy in cleaning up their nuclear waste problems in the Arctic and the Sea of Japan, which has been a very successful program; working even to the point where I have offered to Mr. Kortunov, who advises Yeltsin on defense matters, that he bring over a contingent to have an informal discussion to advise us on the political sensitivity of the ABM Treaty in Russia and allowing us that same opportunity in terms of sensitizing our political concerns with the ABM Treaty.

My problem is that I think the administration sometimes, in having the same policy objective that we do, wants to deny some very basic fundamental facts and occurrences that are primarily caused by the Russian military leadership that is the same today as it was under the former Soviet Union. That is why I think we have disagreements.

Let me ask you a question. Part of the concern needed to prepare ourselves for the future threat is technology transfer. We will debate that issue in this session of Congress, and we will debate the intelligence that was prepared and whether or not it was politicized. But the fact is that on December 15 the Washington Post reported that Jordanian and Israel intelligence had intercepted a number of advanced accelerometers and gyroscopes that were going from Russia to Iraq. The only purpose for these accelerometers and gyroscopes is to be used in long range ICBM's, documenting what we knew all along—the Iraqis are looking at a long-range ICBM capability.

That happened on December 15, and we suspect that there are other instances of that type that have occurred with the Iraqis. My question is, since I have asked the administration as to whether or not they have demarched the Russians on that issue and they have said no, I don't understand why, except that perhaps I think the reason is that since we brought Russia into the MTCR process last fall the administration knows either way they answer that question they are then going to have to follow through with economic sanc-

tions which then poses a problem of undermining Boris Yeltsin's leadership, something you don't want to have to deal with.

Have either of you had any discussions with the Russians on the technology transfer of the gyroscopes and accelerometers? No. 2, would your department support our request to the administration to officially demarche Russia on the technology transfer of the accelerometers and the gyroscopes to Iraq?

Secretary PERRY. Let me, first of all, strongly encourage the joint efforts you have with the Russian Duma. I think that may be—there is nothing that you do that could be more potentially important for national security. I meet with the Russian Duma every time I go to Moscow, and I meet with them when they are in the United States, but I think your meeting with them will be more effective. So I would strongly encourage you to do that.

I don't want to continue in public session either on the intelligence underlying that report which you quoted or the specifying demarche we would take about that but would be happy to discuss with you privately, first of all, what I know about that event and also what action I think is appropriate to take on it. I will say that it is typical of the kind of issues and problems which we expect to confront today and which we have to have a strong method of dealing with.

Mr. WELDON. Thank you.

The CHAIRMAN. Does anyone present—we appreciate your appearance today. I think we have accomplished a whole lot. A whole lot of time has been eaten up. I appreciate your time.

Mr. TAYLOR. Could I ask one question? Mr. Abercrombie raised I think an interesting question.

I know the Chairman of the Joint Chiefs started off as a draftee; Mr. Spence was an enlisted man, I know; and Mr. Dellums was an enlisted man. I do think he asked good questions about fairness in pay increases.

Obviously, officers are paid more than enlisted, and those who have served a long time are paid more than those who are just beginning, and there are ways to get pay raises and cost-of-living adjustments. I think it is tough on the E-3, E-4 or 5 who may have a young family and that he needs a dollar increase every bit as much as the colonel does.

I would like to request that you take a look at what that 2.1-percent pay increase translates to in dollars, that you divide that by the number of active duty personnel and find out if there would be more winners than losers if, on a periodic basis, they were given a dollar increase as opposed to a percentage increase.

I do know that that is a big issue, for example, for State employees back home; and we periodically go back and forth so that sometimes the guys at the top get a little bit bigger increase and sometimes the folks at the bottom get a little bit bigger increase. I think it would be a great morale booster for the enlisted ranks.

Secretary PERRY. I assure you, Mr. Taylor, I took Mr. Abercrombie's suggestion very seriously, and we will follow up on it very carefully.

Mr. TAYLOR. Thank you.

The CHAIRMAN. This meeting is adjourned.

[Whereupon, at 4:45 p.m., the committee was adjourned.]

[The following questions and answers were submitted for the record:]

QUESTIONS SUBMITTED FOR THE RECORD

The CHAIRMAN. We understand the FY-97 budget submission is predicated on Russian ratification and entry-into-force of the START II Treaty. What are the Department's plans for ensuring robust funding for continued operation of US strategic systems at the START I level if Russia does not ratify START II in the coming months?

Secretary PERRY. START I entered into force in December 1994. US and the FSU are well ahead of the treaty's reductions schedule, having already met the reduction for December 1997. In addition, all nuclear warheads have been removed from Kazakhstan, and nuclear warheads remaining in Belarus and Ukraine will be returned to Russia this year. The US Senate ratified START II in January 1996, but the Russian parliament has not yet ratified it. Ratification is not certain and could be accompanied by conditions that might require renegotiation of certain treaty provisions. The key issue for the US is what force structure to retain under START I if START II entry into force is significantly delayed or does not occur. The DoD START I Force Structure Task Force is examining this issue and, in particular, is reviewing the number of B-52s to maintain in active inventory, the number of Trident SSBNs to backfit with D-5 missiles, and funding for retention of Peacekeepers. The Administration's policy is, and has been, to maintain US strategic forces at START I levels until START II enters into force.

The FY 96 DoD Authorization Act prohibits expending FY 96 funds to retire or dismantle (or to prepare to retire or dismantle) B-52Hs, Trident SSBNs, Minuteman IIIs, or Peacekeepers. The Act also contains a sense of the Congress that the Department should not take any action to retire or dismantle these systems until START II enters into force. Furthermore, the Senate's resolution of ratification on START II contains a condition discouraging the President from reducing US strategic forces below START I levels before START II enters into force. If the President elects to do so, he must first consult with the Senate and submit a determination that such reductions are in the US security interest.

As we await for the aforementioned task force to conclude its study, rough cost data for FY-97 were provided to Congress to assist in its Authorization Bill preparation. A range was given since the figures depend on two variables not yet decided: the force mix (e.g., 18 D-5 SSBNs or 14 D-5/4 C-4 SSBNs; 56 PAA/71 TAI or 74 PAA/94 TAI B-52 bombers); and the assumption made as to how long the US must remain at START I levels—that is, until START II is ratified (1998 or later) and enters into force (on time, i.e., 2003, or delayed, e.g., 2006).

The draft cost deltas for FY-97 are:

Trident submarines: \$0-\$125M.

B-52H bombers: \$5-\$125M.

Peacekeepers: \$35M.

B-1B: No additional funding is required.

B-2: No additional funding is required.

Minuteman: No additional funding is required.

Further funding requirements for FY 98 and beyond have not yet been determined.

CHINA/TAIWAN

The CHAIRMAN. China has refused to renounce the use of force against Taiwan. What steps is the United States prepared to take to respond to any mainland aggression against Taiwan?

Secretary PERRY. We have communicated to the PRC on many occasions that any effort to determine the future of Taiwan by other than peaceful means would constitute a threat to peace and security of the Western Pacific area and of grave concern to the United States.

Though I do not believe I should discuss specific options to a hypothetical scenario involving many unknown variables, I can say that we would consult closely with the Congress to determine the appropriate U.S. response.

B-2 BOMBER

The CHAIRMAN. The President decided against building additional B-2 bombers, yet he directed that an on-going DoD study of "deep strike" capabilities consider tradeoffs among tactical air, carrier-based air, and bomber forces. This study will

not be completed until early 1997. Should the Congress take steps in the FY 97 budget to preserve the B-2 industrial base on the prospect that the deep strike study just might recommend procurement of additional B-2s?

Secretary PERRY. As a result of the review of B-2 acquisition options by the National Security Council, the President decided to continue the current B-2 program and to not include funds for additional B-2s in the fiscal year 1997 Defense budget. The fiscal year 1997 Defense budget request supports the existing B-2 fleet.

Regarding the B-2 production base, the fabrication and assembly of all B-2 structural components were completed and delivered to final assembly approximately two years ago. These manufacturing lines, as well as those of their major suppliers, are cold and would require a major investment to restart. Consequently, the greatest decline in the B-2 production base has already occurred. Remaining B-2 industrial activity includes: completing system development (less than eight percent of cost to go), final assembly and checkout of the last five production aircraft, modifications to bring each aircraft into final combat configuration, manufacture of some spares or replacement parts, and system operating support, to include contractor depot support for the airframe and software.

A decision to build more B-2s would require production restart. Estimates of the cost to produce 20 more B-2s by the Office of the Secretary of Defense Cost Analysis Improvement Group and by the Institute for Defense Analyses placed the cost for restart at \$1 billion.

MASTER PLAN FOR ACCELERATED ACQUISITION OF PRECISION GUIDED MUNITIONS

The CHAIRMAN. Given the decision not to support additional B-2s, is there a master plan for accelerated acquisition of the precision guided munitions the Department's most recent bomber study called for in lieu of more B-2s? How does the proposed rescission of funds added by Congress in Fiscal Year 96 for such missiles as the HAVE NAP and the AGM-130 comport with its decision to procure PGMs on an accelerated basis?

Secretary PERRY. There is a master plan for acquisition of precision guided munitions (PGMs). The ongoing Deep Attack Weapons Mix Study (DAWMS) will provide data for the Department to determine which PGMs should be acquired, and provide insight into quantities and which PGMs to accelerate, if any. Results of the study are expected to be available in June.

Fiscal Year 1996 funding for HAVE NAP and AGM-130 will not be proposed for rescission.

The CHAIRMAN. Are you convinced that the Department of Energy is doing enough to ensure the ability to maintain the U.S. nuclear weapons capability and to ensure an adequate supply of tritium for U.S. nuclear weapons?

Secretary PERRY. Yes, our nuclear weapons stockpile is currently safe and reliable; and, I believe that DOE has a solid plan to keep it so for the foreseeable future. Nonetheless, DoE's task is formidable: to maintain safety and reliability in the absence of nuclear testing and to modernize an aging weapons complex, including developing an assured supply of tritium for the next century. Among other things, a robust and adequately funded stockpile stewardship and management program is essential to achieve these goals.

THAAD FUNDING

The CHAIRMAN. The commander of U.S. forces in Korea, General Luck, wrote to you, General Shalikashvili, to urge that funding be provided for the THAAD theater missile defense system to ensure deployment of the system by 2001. Yet the Department's recently-completed review of missile defense programs cut funds for THAAD such that the system won't be available until 2004 or later. Why has the Department again rejected the advice of a commander in the field? On what basis was the decision made to deny a warfighting commander the forces he deems appropriate?

General SHALIKASHVILI. We look to the JROC to integrate the priorities of the CINCs. In this situation, the Joint Requirements Oversight Council criticized the Department's Ballistic Missile Defense programs as funded at a level too high compared with other higher-priority, pressing modernization and re-capitalization needs. Second, we were not focused sharply on dealing with the here-and-now threat.

Our first theater missile defense priority is to enhance the capability of our lower-tier systems beyond what we not have deployed. Our intent is to strengthen our effort to field a capability to defeat short-to-medium range theater ballistic missiles as soon as possible.

I believe the program we have developed in the BMD Program Review is responsive to General Luck's concerns. First, we have added funds to the highest priority,

lower-tier systems—PAC-3 and Navy Area TBMD, to make these programs more executable. Second, we have kept in place the THAAD UOES concept and schedule. This provides us with the opportunity for user testing as well as capability for a limited contingency deployment of the THAAD system in fiscal year 1998 to counter a near-term threat.

DOD BALLISTIC MISSILE DEFENSE PROGRAM REVIEW

The CHAIRMAN. The DoD Missile Defense Review has resulted in additional funds being cut from theater missile defense systems—those that up until now DoD has claimed were their “highest priority.” General Shalikashvili, it has been reported that you stated in a memo to General Luck that “the primary objective [of the review] was to free up dollars” for other weapons systems. Is this accurate? Why has the Department slashed funds for TMD systems when its own rhetoric asserts that the threat is “here and now” and when you, General Shalikashvili, have complained that five years after the Gulf War we still do not have a replacement for Patriot.

General SHALIKASHVILI. The reduction in ballistic missile defense funding is driven by threat and program balance.

The Joint Requirements Oversight Council criticized the Department’s Ballistic Missile Defense programs as funded at a level too high compared with other higher-priority, pressing modernization and recapitalization needs. Second, we were not focused sharply on dealing with the here-and-now threat.

We have identified a more balanced missile defense program, one that is more affordable, and one that has better prospects for successful execution. It is also better matched to the missile threats we will be facing. We have reaffirmed the fundamental priorities in the Department’s missile defense program—the first priority remaining defense against theater ballistic missiles and cruise missiles—the first sub-priority is to field systems to defend against existing short-to-medium range missiles.

The changes adopted by the Department respond to the threats, to the priorities expressed by the Joint Staff, and also to fact-of-life changes in the program status. The TMD program fully supports deployment of early operational capabilities for the high-priority lower-tier systems, and provides the ability to deploy upper-tier systems in response to the threat and availability of funding for those systems.

The CHAIRMAN. The United States is back in Geneva again trying to reach agreement with Russia to multilateralize the ABM Treaty and “demarcate” the line between strategic and theater missile defenses. How can such a deal possibly be in the U.S. national interest? Don’t you agree that the ABM Treaty does not require us to reach agreement with Russia on these matters—that is, that we can make such compliance determinations on a unilateral basis? Why or why not?

Secretary PERRY. With regard to demarcation, the U.S. is within its legal rights in making unilateral ABM Treaty compliance determinations (rights we will uphold, as we have made clear to the Russian side, in the absence of any demarcation agreement). However, the agreement we have reached with Russia in the Standing Consultative Commission on the demarcation between strategic and theater missile defenses will accomplish two things. First, it will remove any questions or challenges as to the compliance of all lower-velocity missile defense systems; so long as these systems are not tested against targets exceeding 5 km/s velocity or 3500 km range, they will not be considered to have been given “capabilities to counter” strategic ballistic missiles nor to have been “tested in an ABM mode.” Second, it will enhance our ongoing security dialogue with Russia. Given Russian linkage of the ABM Treaty generally, and demarcation specifically, with other arms control issues—especially START II—we believe it is useful to continue cooperative discussions to enhance our security equities. As Gen. Shalikashvili stated in his 28 June 1995 letter to Senator Levin on this point, in the absence of this dialogue “we might find ourselves forced to choose between giving up elements of our TMD development programs or proceeding unilaterally in a manner which would undermine the ABM Treaty and our broader security relationship with Russia.” We are seeking to avoid the costs and risks associated with either alternative.

With regard to ABM Treaty succession, upon dissolution of the USSR the U.S. was faced with the issue of resolving succession for a number of important agreements, ensuring that the arms control obligations of the former Soviet Union (FSU) were met by successor states, and establishing positive and cooperative relationships with FSU states on security matters. Certain FSU states—notably Belarus, Kazakhstan, and Ukraine—have taken a strong interest in the ABM Treaty and perceive a clear relationship between their participation in this and other treaties, such as START I and INF. Russia has supported multilateralization, reflecting at least in part concerns over continued access to ABM Treaty-related facilities now located

in other states. Considerations such as these led to the U.S. decision to accept multilateralization; however, the U.S. has made clear that all potential successor states must agree to an acceptable demarcation agreement before we would agree to multilateralize the Treaty.

The CHAIRMAN. Is Russia complying with the Conventional Forces in Europe Treaty? The Biological Weapons Convention? Is Russia continuing to develop new chemical weapons? Is Russia developing a new ICBM, a new SLBM, possibly a new strategic missile-carrying submarine, new nuclear warheads, and continuing to construct new deep underground bunkers for nuclear warfighting? Why is Russia spending scarce resources on these activities?

Secretary PERRY. Russia's overall record on meeting its CFE Treaty destruction obligations, providing the required information, and accepting on-site inspections has been good. Russia's equipment levels were below its overall, national ceiling by the Treaty's 17 November 1995 deadline. (A small exception was with equipment associated with the Black Sea Fleet, for which negotiations with Ukraine were not yet completed. Other CFE parties were willing to wait until the Black Sea Fleet issue was resolved to deal with this equipment). Since late 1993, the 30 parties to the CFE Treaty have been discussing Russia's (and Ukraine's) concerns with the flank equipment sub-limits. On 17 November 1995, the 30 CFE states agreed to a framework for resolution of the flank issue. On 31 May 1996, at the end of the CFE Treaty's first Review Conference, a flank solution was found. All states have until 15 December 1996 to gain domestic approval of the flank agreement; Russia will have until 31 May 1999 to meet the ceilings in the flank agreement.

With regard to the Biological Weapons Convention (BWC), the U.S. has concluded that Russia has not fully met its obligations under the BWC. While President Yeltsin has made commitments to comply, and Russia has taken some concrete steps in this direction, the evidence suggests that his commitment may not be universally shared and may not have been effectively implemented. Russia must still take additional concrete steps to follow through on these commitments and rectify existing problems. We will continue to follow developments in this area very closely, and will continue actively to follow up and do our part to help ensure the elimination of the offensive BW program that Russia inherited from the former Soviet Union.

With regard to chemical weapons (CW), the U.S. remains concerned about the CW program Russia inherited from the former Soviet Union. In 1987, the Soviet Union publicly acknowledged that it possessed chemical weapons and declared that it had ceased production. However, disclosures by Russian scientists who worked on the CW program indicate that an offensive CW program continued after that date. President Yeltsin, Prime Minister Chernomyrdin, and other senior Russian officials have repeatedly expressed their support for the Chemical Weapons Convention upon its ratification and entry into force. The U.S. will judge Russia's future CWC compliance by its actions. While awaiting Russian CWC ratification, the U.S. will continue to underscore to Russia its obligation as a signatory to refrain from acts that would defeat the object and purpose of the Convention. The U.S. also will stress the importance of prompt Russian CWC ratification. U.S. leverage in this effort will be enhanced once the U.S. itself has ratified the CWC.

Russia is carrying out some strategic modernization programs. However, those are much more limited than in the past and consistent with the START Treaties. Russia is currently developing follow-on missiles for the SS-25 ICBM and the SS-N-20 SLBM, and Russian press reports indicate that a new SSBN is being developed. These programs are being pursued, at least in part, to replace certain currently-deployed strategic systems that are approaching the end of their service life; they also reflect movement toward the stable force structure encouraged by START II—single-warhead ICBMs and survivable SSBNs/SLBMs. Overall, Russian military spending has fallen dramatically in recent years, and strategic and conventional weapons procurement is expected to continue to decline in the future. We are aware of the construction underway for an underground complex at Yamantau Mountain. We believe the facility is defense-related and have discussed it with various Russian officials, but they have not explained to us its purpose.

The CHAIRMAN. Is the Congress going to receive a non-Bosnia, non-Jordan-related rescission package? If so, when, for what purpose, and why, based on Program/Budget Decision 719, are the funds all coming out of Congressional modernization efforts, which you admitted were the weakest part of your Fiscal Year 96 budget?

Secretary PERRY. The FY 1997 President's budget identifies \$400.4 million of FY 1996 funding for rescission. \$250 million of these funds will be used to finance enhanced drug control activities in support of the Office of National Drug Control Policy. The rescission message for the \$400.4 million will be forwarded to the Congress in mid-April. The programs proposed for rescission are excess to DoD requirements

and will have no impact on our efforts to improve modernization. In addition, the FY 1997 budget includes a legislative proposal to cancel \$599.6 million in FY 1996 programs. The specific program savings will be identified when this legislative proposal is enacted.

The CHAIRMAN. General Shali, please tell us why in your Chairman's Program Assessment you recommend to Secretary Perry that he should accelerate by two years attaining a \$60 billion procurement funding level—from FY00 to FY98? How do you feel about the fact that this level of procurement funding is now projected to be reached in FY01—one year later than forecasted last year? Do you support this delay?

General SHALIKASHVILI. As I have stated, our procurement accounts are not where I think they ought to be. After careful deliberation, I judged that approximately \$60 billion is the right level to maintain and sustain the current force structure and strategy, which are sized correctly for today's world environment. While I would like to see such a procurement level sooner rather than later, it is more important to me that we set such a target as this budget does, and discipline the process to make sure we reach it. The challenge is to maintain readiness and get on with recapitalization of the force all within the current defense top lines that are in the administration budget.

The CHAIRMAN. Secretary Perry, given the Chairman's recommendation to increase the procurement accounts, why did you not insist that OMB "passback" the entire \$35 billion in inflation savings that were scrubbed from your FY 97 through FY 01 budgets? What was the basis for the \$20 billion you were "allowed to keep?" How can you justify telling the committee, for example, that an attack submarine funded in FY 99 would be a "budget buster" when you let \$15 billion slip away?

Secretary PERRY. When inflation projections increase, a U.S. President ideally would add money to departmental budgets like DoD's, in order to preserve the spending plans previously endorsed. Under these circumstances, departments have a strong case in requesting added funding. But when inflation projections decrease, the President is justified in earmarking the savings for the U.S. Treasury, because departments should be able to fulfill their plans with reduced budgets. Departments do not have a strong case and are in no position to "insist" that the President allocate inflation savings to them.

President Clinton's decision to allow DoD to keep all but \$15 billion in inflation savings constitutes an increase in our defense plans. It enables us to better meet our procurement and other military needs. The basis of the President's defense spending decision was, as it always should be, the military needs of our nation.

The President's decision is especially noteworthy because of the extraordinary political pressures on him to allocate inflation savings elsewhere: to hasten achievement of a balanced budget (the subject of intense negotiations with Congress), and to help counter the expected deep reductions in domestic discretionary spending.

BRAC AND ACQUISITION REFORM SAVINGS

The CHAIRMAN. Secretary Perry, given that procurement funding for FY96 was projected to be \$63 billion in FY 93 and three years later actually became a request of less than \$40 billion, how much confidence do you have in the projected ramping up of this account? How confident are you in your BRAC savings and acquisition reform savings, which are the underpinnings of your projected modernization growth?

Secretary PERRY. You are correct that BRAC and Acquisition Reform savings are critical to increasing our procurement accounts. I am very confident that we can generate the required savings in these areas to help make the necessary increases to our modernization funding. As you know, one significant source of these savings is the now diminishing cost for base closure. This is a now declining up-front cost that we are investing to reap future savings. In FY 1996 we invested approximately \$4 billion in BRAC. In FY 1997 we are requesting only \$2.8 billion for BRAC costs. These costs are made up of \$2.5 billion in new appropriations and \$244 million in anticipated land sale revenue. Further, the current fiscal year is the first year that BRAC costs equal BRAC savings. I expect that trend to continue to the point where we can expect about \$6 billion in annual savings from BRAC that can be put to modernization accounts. With respect to Acquisition Reform savings we have hard evidence accumulating from such programs as the C-17, the Joint Direct Attack Munition (JDAM), and the SMART-T Army communications terminal for MILSTAR, that acquisition reform is working. For example, JDAM alone will generate cumulative savings of about \$3 billion over the life of the program. The savings we're talking about in acquisition reform, are not five and ten percent. Nor are they at the margin. These are substantial savings that can be redirected to mod-

ernization accounts as the reforms work their way through all the Department's acquisition programs.

The CHAIRMAN. Why didn't the Department comply with the Fiscal Year 96 Authorization Act provision directing that funding for National Guard and Reserve Component Equipment be included in the President's Budget?

Secretary PERRY. The Department has complied with the provision that funding be included in the FY 1997 budget for National Guard and Reserve Component Equipment. There is \$912.3 million budgeted in the Procurement title for specific National Guard and Reserve equipment requirements. The Procurement Programs—Reserve Components budget justification book (P-1R), to be forwarded by April 19, will provide line item detail on the budgeted programs. In addition, the Department will forward to you the National Guard and Reserve component extract from the Future Years Defense Program (FYDP, Program 5) and an extract of the Military Construction program budget justification book (C-1) that will provide additional details on the funding budgeted to support National Guard and Reserve programs.

IMPROVED CHEMICAL WARFARE DETECTORS

Mr. EVANS. Recently the Presidential Advisory Committee on Persian Gulf War Veterans' Illnesses reported that DoD's chemical warfare detectors could not adequately detect unhealthy low levels of chemical warfare agents in the Persian Gulf War. What progress has been made to alert and protect service personnel from low level chemical warfare agent exposures over a period of time?

Secretary PERRY. Since the Gulf War we have spent over \$436 million for research and development to push the state-of-the-art in chemical and biological detection. We have spent over \$170 million to procure additional and new capabilities. Our current and near term chemical warning alarms are designed to avoid acute threshold effects exposures. We currently have no warfighting requirement to detect lower levels or exposures over time. However, we are studying the potential effects of sub-acute exposures and will fully consider such requirements if merited by those studies. There are many risks on the battlefield and limited funding to address them. Each new risk must be weighed with all other risks to optimize winning the battle and defending the soldier. The following is detailed information on progress being made in both the near and far term.

Near-Term Improvements:

(1) Improved Point Detection System (IPDS): The IPDS replaces the Chemical Agent Point Detection System (CAPDS) on Naval ships, detects nerve/blister agents, and is expandable for new threat agents. IPDS consists of port and starboard external air sampling and detector units, a remote control unit located in the Damage Control Center and a remote display unit located on the bridge. Fielding begins in FY96.

(2) KAS-1 Chemical Weapons Detection Device (CWDD) Upgrade: The KAS-1A is an upgrade to the existing KAS-1. The improved system provides remote video transmission capability and an on-site training capability with remote playback features. The KAS-1A also provides relative bearing display and has an increased operational life due to cooler improvements. Approximately 250 units have been backfitted and installed, however, installation/backfit efforts have now ceased due to the lack of O&M funding to support the effort. Approximately, 550 systems remain to be retrofitted.

(3) M21 Remote Sensing Chemical Agent Alarm: An automatic scanning, passive infrared sensor that detects nerve and blister agent vapor clouds. It is effective at line-of-sight distances up to five kilometers. Alarm is used for surveillance and reconnaissance missions in both vehicle-mounted and tripod mounted modes. M21 was Type Classified Standard, in March 1995. First Unit Equipped is scheduled for January 1997.

(4) XM22 Automatic Chemical Agent Detection Alarm (ACADA): The ACADA is a man portable, point sampling alarm system that provides significant improvement over current capabilities. The ACADA is an advanced point-sampling, chemical agent alarm system. It replaces the M8A1 alarm as an automatic point detector and augments the M1 CAM as a survey instrument. The Automatic Vapor Agent Detector (AVAD), an Air Force requirement will be satisfied using the ACADA detector technology. Initial fielding is scheduled to begin in September 1997.

(5) Shipboard Automatic Liquid Agent Detector (SALAD): An exterior, liquid agent point detection and monitoring system that will detect and alarm in the presence of liquid nerve and blister agents. SALAD consists of a detector unit, optical scanners, a central processing unit and alarms on the bridge and Damage Control Central. Initial fielding is scheduled to begin in FY98.

(6) M93E1 NBCRS System Improvement Upgrade: Upgrades the M93 NBCRS to detect chemical contamination in its immediate environment using the M21 RSCAL stand-off detector. It will automatically integrate contamination information from sensors with input from on-board navigation and meteorological systems. The System Improvement will also replace the current mass spectrometer with the chemical/biological mass spectrometer. Initial fielding of the Block 1 Mod improvements of the FOX NBCRS is scheduled for March 1998.

Far-Term Improvements:

Improved Chemical Agent Monitor (CAM): Materiel Change (MC) will improve the CAM by significantly reducing the level and frequency of maintenance without affecting the CAMs performance. The ICAM will have twice the operational life of the CAM. Materiel Change was Type Classified Standard in Aug 93. A multiyear production contract was recently awarded. Initial fielding of improved CAMs is scheduled for Jan 99.

Progress is being made on multi-Service requirements leading to Joint Service RDT&E efforts. Joint projects related to improved chemical detection capabilities are outlined below:

(1) Joint Service Chemical Miniature Agent Detector (JSCMAD): a fully cooperative RDT&E effort, chartered to develop a family of miniature chemical agent detectors for all services. The family of detectors will provide individuals near-real time information on the presence of chemical agents so that misosis or more severe effects can be avoided and not subvert the mission. The program accommodates the Services' requirements for miniature agent detectors. Initial fielding dates for JSCMAD are estimated to be beyond FY2000.

(2) Joint Service Lightweight Stand-off Chemical Agent Detector (JSLSCAD): a fully coordinated joint service RDT&E program, chartered to develop a lightweight stand-off chemical detector for the four services. The system will be capable of scanning 360 degrees \times 60 degrees, and automatically detecting nerve or blister agents at a distance up to 5 km. It will be light and compact and operate both from a stationary position and on the move. Initial fielding dates are estimated to be in FY2001.

(3) Joint Service Chemical Warning and Identification LIDAR (JSCWILD): a fully coordinated joint service program to develop a chemical warning and identification system for the four services. The JSCWILD will be a lightweight, vehicle mountable, contamination monitoring system which detects and quantifies, from a distance of 3 kilometers, all kinds of chemical agent contamination (including agent rain, vapors, aerosols, and ground contamination), in a stand-off mode. It will operate from fixed sites and ground vehicles. The system has distance-ranging and contamination-mapping capabilities and transmits this information to a battlefield information network. Initial fielding dates are estimated to be in FY2002.

(4) Joint Service Warning and Reporting Network (JWARN): an integrated NBC detection, warning and reporting system capable of interfacing with all CB detectors and sensors. The system will be interoperable with all service command and control systems, capable of generating NBC reports and automatic transmission of NBC alarms and data. Program will consolidate HAZWARN (warning and reporting) with the Multipurpose Integrated Chemical Agent Alarm (MICAD) and Automated Nuclear, Biological and Chemical Information System (ANBACIS) to form a comprehensive upgradable NBC component to the emerging C3I systems in the services. Initial fielding dates are estimated to be in FY2000.

Mr. EVANS. What type of chemical and biological warfare agent detectors are currently being used by the United States military in Bosnia?

General SHALIKASHVILI. U.S. forces in Bosnia are equipped with XM93 NBC Recon Systems, M8A1 Chemical Automatic Alarms, Chemical Detector Kits, M9 Detector Paper and M8 Detector Paper.

Mr. EVANS. Since the alarms sounded so many times, what type of research was conducted to confirm that the tens of thousands of alarm warnings were all false? If all these alarms were false, how was it determined that no chemical agents were present?

General SHALIKASHVILI. During Gulf War deployment, we conducted live agent laboratory testing to make sure our M8A1 alarms worked. During the Gulf War, every incidence of M8A1 alarm was investigated using other detectors. In no case could we confirm the presence of chemical warfare agents. We know our current alarms can produce false alarms. Current detector technology forces a direct trade-off between false positive alarms which forces soldiers to don unnecessary protection (i.e., alarm with no agent present) and false negative alarms which cause casualties (i.e., no alarm with agent present). Because we prefer unnecessary protection to casualties, our detectors tend to false positive. The Joint Advance Chemical Agent Detector Alarm (ACADA) Program has expended considerable expense and effort to

solve this technology problem. The ACADA program is now culminating in a test between three candidate detectors (FY96) and full scale production is scheduled to begin next year (FY97).

CHEMICAL DETECTION SYSTEM FALSE ALARMS

Mr. EVANS. DoD maintains that the tens of thousands of alarms that sounded repeatedly during the Persian Gulf War were all false alarms. What progress has DoD initiated to ensure accurate "real time" detections and cumulative exposures over time?

Secretary PERRY. Current detector technology forces trade-off between false positive alarm rates (i.e., alarm with no agent present=unnecessary protection) and false negative (i.e., no alarm with agent present=casualties). Because we prefer unnecessary protection to casualties, our detectors tend to false positive. The Advanced Chemical Agency Detector Alarm (ACADA) program has expended considerable expense and effort to push chemical detection state-of-the-art. Eliminating false alarms has been and continues to be an ACADA high priority. The ACADA program is now culminating in a test off between three candidate detectors (FY 96). Full scale production is scheduled to begin next year (FY 97).

Mr. EVANS. What specific measures has DoD initiated to ensure "safe-kill" of future chemical and biological manufacturing and storage facilities?

Secretary PERRY. Under the Counterproliferation Support Program, the DoD is pursuing the following objectives: (1) development of sensors for chemical-biological target identification, battle damage assessment, and collateral effects monitoring, (2) in-depth understanding of chemical-biological warfare agent release phenomenology and transport, (3) reliable characterization of chemical-biological effects and target vulnerability/response, (4) development of an advanced penetrating weapon, the Advanced Unitary Penetrator (AUP), for the defeat of underground chemical-biological facilities, (5) development of a Hard Target Smart Fuze (HTSF) for enhanced lethality of penetrating weapons against underground targets, (6) evaluation of chemical-biological agent defeat mechanisms, (7) development of advanced warheads/payloads for enhanced lethality against, and functional kill (agent defeat) of, WMD-related targets, (8) development of the inertial terrain-aided guidance (ITAG) package for all-weather utilization of existing munitions, (9) development of the Integrated Munitions Effectiveness Assessment (IMEA) targeting tools to assist in targeting, weaponizing, and strike planning for minimal collateral effects, and (10) integrated operational testing, as part of the Counterproliferation Advanced Concept Technology Demonstration, to support the rapid fielding of these new capabilities.

CHEMICAL AND BIOLOGICAL WARFARE AGENT DEFEAT

Mr. EVANS. During the Persian Gulf War, the United States extensively bombed known and suspected facilities which produced chemical and biological warfare agents. What specific measures has DoD initiated to ensure safe chemical and biological warfare agent defeat?

Secretary PERRY. The Department of Defense does not expect to field capability in the near term which would allow for a completely safe attack on chemical and biological facilities. However, the Department has made progress in our ability to reduce the possible negative consequences of such an attack.

First, we have demonstrated in field tests the most advantageous means to deliver current weapons against suspected chemical and biological storage sites during the initial phase of an Advanced Concept Technology Demonstrations (ACTD). Certain attack parameters were verified to achieve adequate facility damage while reducing collateral effects significantly. This attack planning information, combined with collateral effects prediction capability is central to a new fast running PC-based tool designed for in-theater, including Bosnia.

To advance our capability to use current weapons systems in attacking weapons of mass destruction (WMD) facilities, the Department is currently developing a "smart" fuse, which will sense the depth that the weapon has penetrated, or sense when the weapon is inside a compartment. This fuse, combined with the planning tools, will allow the warfighter to select optimal weapon placement against WMD facilities to minimize collateral effects.

The Department is also pursuing technologies for special warheads which negate the toxicity of chemical and biological agents. One example is the use of High Temperature Incendiaries (HTIs) which may kill most chemical or biological agents that would be expelled into the atmosphere. While these programs are developmental, we expect to demonstrate the most promising capabilities in weapon form during a proposed ACTD in approximately FY 99 and FY 00.

BIOLOGICAL WARFARE AGENT DETECTORS

Mr. EVANS. Currently the United States does not possess adequate "real time" battlefield biological warfare agent detectors. What steps has DoD initiated to acquire adequate "real time" battlefield biological warfare agent detectors? When will these detectors be available for use by United States military personnel?

Secretary PERRY. During the current year, the Services have begun to field several biological point detection systems. These efforts were initiated in response to shortfalls identified during DESERT STORM, and provide unprecedented biological detection capabilities to protect U.S. forces. These systems include (1) the Biological Integrated Detection System (BIDS) Non-Developmental Item (NDI), (2) the Interim Biological Agent Detection System (IBADS), and the Long Range Biological Standoff Detection System (LRBSDS) NDI.

BIDS NDI is a vehicle-mounted, fully integrated biological detection system. It employs developmental and off-the-shelf technologies to detect biological agents with maximum accuracy. The system is being fielded for use in contingency operations to provide detection and identification of biological agents in the 2-10 micron range in 15-30 minutes. BIDS will be integrated into the force structure of active duty units over the next year. The system, which is housed in a collectively-protected HMMV shelter, is modular to allow component replacement and exploitation of "leap ahead" technologies. Planned improvements will provide detection of a greater number of agents, with greater sensitivity, and with improved response time.

IBADS provides automatic point collection and identification of a limited number of biological agents, including all high threat agents. It is designed to operate in a shipboard environment, be operated and maintained by ship's force, and provide automatic collection and identification of biological warfare agents while a ship is underway. IBADS consists of a particle sizer/counter, particle wet cyclone sampler and a detection unit which uses improved membrane calorimetric tickets (flow-through assay). This rapid prototype system is currently being fielded, tailored to shipboard applications, including deployment to support operations in Bosnia. IBADS provides a key capability for the protection of fixed, high-value sites such as ports and airfields.

The LRBSDS NDI provides the first capability to U.S. forces for the stand-off detection of biological warfare agents. This system provides the capability to detect aerosol clouds at a range of up to 50 kilometers utilizing infrared LIDAR technology. It provides the relative concentration, range, location, and tracking of suspect aerosol clouds. This system is mounted in a UH-60 (Huey) helicopter.

Several efforts are underway to improve biological point and early warning detection capabilities in the near- to mid-term. Improvements include increased number of agents; improved sensitivity; reduced power, size, and weight of systems; improved safety; improved detection time; automatic warning; and advanced hazard prediction and assessment. Key systems being developed included pre-planned product improvements to BIDS and LRBSDS; the Joint Point Biological Detection System (JPBDS); advanced remote biological agent detection and early warning detection, the Biological Standoff Detection System (BSDS). Technologies for these systems are being developed through several joint efforts and through several technology demonstrations, including the Integrated Biodefense Advanced Technology Demonstration, the Port and Airbase Biodefense Advanced Concept Technology Demonstration (ACTD), the Biological Early Warning ACTD, and annual Joint/International Field Trials.

BRAC

Mr. WATTS. If the Commission had decided to realign any of the 3 ALC's that stood this there would not be a privatization-in-place alternative underway. The reasons are simple; continued operations at Kelly and McClellan fail to address the over capacity issue cited by the BRAC as the basis for their closure recommendations and will cost millions of dollars that could better be used for modernization and readiness. Sir, for every unnecessary dollar spent to support private sector management of our depot activities, there is one less dollar available for readiness. This is especially true if contractors who take over the depot functions are prevented from wholesale layoffs and terminations that occur as a standard business takeover practice. If the same workers, in the same facility, perform the same jobs, using the same equipment, how is the Air Force going to save the American taxpayer any money?

Secretary PERRY. The original Department recommendation called for the downsizing of each of the Air Logistics Centers. The BRAC Commission rejected that recommendation and instead voted to close McClellan and San Antonio. The Department will continue to try to size the organic depot system to Core. That work-

load currently performed at McClellan and San Antonio that is ultimately identified by the Air Force as necessary to sustain Core capabilities will be moved to other organic DoD depots taking advantage of excess capacity.

Our goal is to save money. We only want to privatize when it is smart to do so. The remaining depots should be sized to meet our Core capability requirements. Best value for the remaining workloads will be achieved through competition in the private sector. Privatization-in-place capitalizes on our previous investments in facilities, equipment and people. If it doesn't work, our business will go elsewhere.

Mr. WATTS. All that has been done at that point is the addition of another level of management, and cost, to the business of depot maintenance. And the readiness issue is not simply affected by costs, but by the general processes that are at work within the private sector. I ask you Mr. Secretary to consider the impacts on readiness if private sector workers who may be responsible for Core work decide to strike, walk out, or are shut out. Where will our soldiers, sailors, airmen and marines be if they are engaged in a fight and their equipment cannot be repaired because the depot is locked-down due to a employee/employer disagreement?

Secretary PERRY. This is an important issue. The Department believes that risk avoidance drives Core capability requirements. Senior warfighters have carefully estimated the resources required to support our national security strategy. The outsourcing risk assessment is an informed decision based upon market place performance. Risk avoidance drives Core capability requirements. In the context of depot maintenance support to the operating forces, readiness, sustainability, and technology risks are of prime concern and are considered in depth. The risks you have identified are fully considered in our Core methodology discussion in Section II of the March 1996 Report to Congress, titled "Policy Regarding Performance of Depot-Level Maintenance and Repair". Therefore, necessary critical capabilities are maintained in organic depots and only those workloads with acceptable risk are performed in the private sector.

Mr. WATTS. In closing Mr. Secretary, the President's vision of privatization needs to be modified. While I support expansion of the private sector into government services and the associated savings that may come from a well thought out strategy, privatization must be done with due regard for its impact on modernization and readiness needs. We cannot afford to allow the men and women of our armed forces be brought to their knees by virtue of an inability to repair the tools of their trade. A right-sized depot system must be put into place before we open the door to wholesale privatization of these extremely important services. Only then will we have done what is required of our pledge to support and defend our nation against those who may attack our security. I encourage your personal re-examination of the so-called privatize-in-place option at McClellan and Kelly. I encourage the Administration to please move slowly, for if this door is open I assure you it will come at the expense of modernization and readiness.

Mr. Chairman, thank you for your patience and I ask the Secretary to offer his view on privatization-in-place at Kelly and McClellan Air Logistics Centers.

Secretary PERRY. The Department believes that the DoD Core policy does in fact "right size" the depot system such that risk avoidance drives organic Core capability. As stated earlier, the workload currently performed at McClellan and San Antonio that is ultimately identified by the Air Force as necessary to sustain Core capabilities will be moved to other organic DoD depots taking advantage of excess capacity.



FISCAL YEAR 1997 NATIONAL DEFENSE AUTHORIZATION ACT—SERVICE SECRETARIES

HOUSE OF REPRESENTATIVES,
COMMITTEE ON NATIONAL SECURITY,
Washington, DC, Friday, March 8, 1996.

The committee met, pursuant to call, at 10 a.m. in room 2118, Rayburn House Office Building, Hon. Floyd Spence (chairman of the committee) presiding.

OPENING STATEMENT OF HON. FLOYD D. SPENCE, A REPRESENTATIVE FROM SOUTH CAROLINA, CHAIRMAN, COMMITTEE ON NATIONAL SECURITY

The CHAIRMAN. The meeting will please come to order. Good morning. I would like to welcome our witnesses and thank them for appearing before us this morning, especially in view of the fact that we have some inclement weather outside and some of our members have taken early leave for the weekend. Because of the scheduling difficulties, I thought we ought to go ahead and proceed in order to receive the testimony by our distinguished witnesses this morning.

Today, we are continuing our initial examination of the administration's fiscal year 1997 budget request. Two days ago, we heard from Secretary Perry and General Shalikashvili, who presented the broad framework and rationale for the Department's 1997 budget. This morning we will hear from Hon. Togo West, Secretary of the Army; Hon. John Dalton, Secretary of the Navy; and Hon. Sheila Widnall, Secretary of the Air Force.

As Secretary Perry noted during our hearing on Wednesday, this year's request represents a real decline of more than 6 percent relative to current spending levels. Within the approximately \$243 billion requested for the Department, all the services are facing reductions from their current level of efforts.

There is a growing consensus that the long-term defense program is underfunded. During the past year, Congress sought to restore faith with our men and women in uniform by providing an increase in their standard of living, a cost-of-living increase, and providing them with the equipment they need to be second to none.

It appears that this year's budget not only fails to follow Congress' lead from last year, but also places our country's Armed Forces back on the slippery slope of readiness shortfalls, procurement holidays, and even the prospect of force structure reductions below Bottom-Up Review levels.

For instance, last fall General Shalikashvili's Chairman's Program Assessment concluded that roughly \$60 billion in annual procurement funding was necessary by fiscal year 1998 to properly re-

capitalize the force. However, by the Department's own estimates, achievement of this goal has been postponed until fiscal year 2001, 3 years beyond the recommended date and 1 year later than planned for just a year ago. The administration is not even standing still, it is moving backward.

Even as the Department continues the extended procurement holiday, the pace of contingency operations has not abated, and in fact, has increased. The Army is fully engaged in Bosnia, and I would be surprised if this operation is over by year's end. Extensive air operations continue in the Persian Gulf and there is no slackening of Navy and Marine Corps operations around the world.

In general, OPTEMPO and PERSTEMPO are stretched to the limit. Nevertheless, the budget simply does not propose any solutions. In sum, and to paraphrase Admiral Owens' recent testimony, it is time to stop promising to address the shortfall in the long-term defense program and do something about it.

I look forward to your testimony this morning and to working with each one of you in the months ahead as the Congress tries to do something about these problems.

Before beginning, I would like to recognize Mr. Dellums, the ranking Democrat on the committee, the gentleman from California.

STATEMENT OF HON. RONALD V. DELLUMS, A REPRESENTATIVE FROM CALIFORNIA, RANKING MINORITY MEMBER, COMMITTEE ON NATIONAL SECURITY

Mr. DELLUMS. Thank you, Mr. Chairman. Let me first join you in welcoming today's witnesses this morning: Army Secretary Togo West, Navy Secretary Dayton, and Air Force Secretary Widnall. I welcome the opportunity to hear their views as they build upon the earlier testimony of Secretary of Defense Perry and Joint Chiefs Chairman General John Shalikashvili.

The fact that the fiscal year 1996 budget cycle is pushed so far into the planning for fiscal year 1997 delays presentation to the committee of more complete budgetary information. Given our accelerated schedule on the fiscal year 1997 request, it will be especially helpful to this committee for us to hear the early views of the Secretaries, and I appreciate that they are appearing early in the process regarding their surface programs and direction. They can amplify on the broader, thematic presentation presented in Wednesday's DOD posture hearing and can, we hope, begin to answer some of the more detailed follow-on questions and concerns that have emerged from the DOD hearing.

Mr. Chairman, as I noted to Secretary Perry and General Shalikashvili, near the conclusion of Wednesday's hearings there appeared to be several areas of concern emerging in which elevated controversy and concern on this committee is manifesting itself. They are primarily the debate over missile defense priorities and scope, scale, and pace of development; the procurement funding level in fiscal year 1997 and beyond, and its impact on modernization efforts, the overall level of spending in the defense topline; and, the privatization initiatives being undertaken within the Department.

It strikes this member that our service Secretaries can speak very knowledgeably to us concerning these matters as well as with regard to others. They can provide us with important information regarding the resources available to them to meet their programs and whether the procurement strategy will meet their respective services' modernization requirements. They can shed light on service priorities among systems under procurement and projected for procurement in later years.

They can provide us with important information regarding the morale and welfare of their personnel. An important issue in this connection will be the hearings to be held later in the year by this committee that will deal with the impact on the force of the alarming actions of extremist hate groups.

I hope that we will be able to have a full and complete discussion of this debilitating problem within the ranks of our Armed Forces. The Secretaries can also advise us as to the impact that projected housing and military construction programs will have on quality of life of our service personnel. They can inform us regarding whether this proposal would meet the training and operational requirements for the missions they are expected to perform, whether it is participation in peacekeeping, forward deployment, or rapid response to emerging crises.

While Secretary Perry, in my opinion, eloquently set out the broad parameters of our approach to the threat posed by missile technology and the weapons of mass destruction, including non-proliferation and threat reduction programs, the service Secretaries can amplify on theater missile defense programs with which they have particular concerns and responsibilities.

As I noted on Wednesday, we have lived with the threat of nuclear missile attacks on the United States for a generation, through several Democratic and Republican administrations. Throughout that time, those administrations have relied on the policy of nuclear deterrence that continues today. Such a policy, though, will not work against theater threats that may require urgent attention. Their comments on the character of these threats will be especially insightful with respect to the allocation of priorities as between theater and national missile defenses.

They can provide us with expanded information about the modernization and procurement requirements and any concerns they might have regarding their ability to stay on target within the budgeted plan laid out by Secretary Perry on Wednesday. Therefore, I look forward to their presentations, to our dialog, and to their knowledge and professionalism and sense of duties that all of the distinguished witnesses bring to the table today in service of this Nation.

With those opening remarks, Mr. Chairman, I would yield back the balance of my time.

The CHAIRMAN. The Chair thanks the gentleman. Without objection, the prepared statements of all the witnesses will be accepted for the record and we will proceed as you like starting with Secretary West.

STATEMENT OF TOGO D. WEST, JR., SECRETARY OF THE ARMY

Secretary WEST. Thank you, Mr. Chairman. It is a pleasure to be with you, Mr. Chairman, ranking minority member Dellums, members of the committee. Indeed, it is an honor to represent the men and women of the U.S. Army, Active and Reserve components, military and civilian and their families today in what is now my third year as Secretary of the Army.

During that period I have, as you have, watched these extraordinary soldiers as they have answered every call of their country with professionalism, dedication and with sacrifice, and it is for that reason that I am pleased to say how proud I am of them as I know every one of you to be as well.

It is also a pleasure in their behalf to thank the many of you who have taken the time to visit them wherever they are stationed or deployed whether in United States or abroad, in Bosnia, wherever they serve their country, wherever they find themselves merely because their country has asked that they be there. I am proud to support them, and I know you are, too.

Mr. Chairman, as we prepare our Army for the coming year, our focus is, as it has always been, readiness, and it is our commitment to the readiness of that force that informs our decisions about our soldiers, about their training, about their equipping and about their way of life. If I may, I will highlight a few things from the testimony that I have submitted for the record.

We remain, as we are required to be ready as an Army, to fulfill our role in the national military strategy, to compel other forces where that becomes the recourse that we have to resort to, to deter aggression from potential adversaries, to reassure our allies and partners of our commitment to common defense goals and to support civil authorities in the United States where emergencies beyond their control is required.

We are making considerable efforts, as Secretary Perry mentioned to you when he appeared, contributions to conflict prevention through our military-to-military contacts, through the Partnership for Peace, through our efforts with respect to nonproliferation agreements and in maintaining our forward presence abroad in Europe and in the Pacific.

Mr. Chairman and members of the committee, today more than 41,000 members of the U.S. Army are deployed around the world on nearly 1,700 missions in some 60 countries. Last year's missions included upholding democracy in Haiti, deterring the threat in Southeast Asia, delivering relief supplies to Rwandan refugees, peacekeeping in the Sinai, supporting refugees in the Caribbean, Panama, and in the Pacific, deterring aggression in Korea; and, yes, preparing for peace enforcement in that war-torn part of the world known as Bosnia-Herzegovina. We have supported civil authorities in the United States during fires in the Pacific Northwest, floods in the South and Midwest and in Hurricane Marilyn.

People are the Army's most important asset, and we continue to have success in attracting and retaining high quality recruits. Last year, the Army achieved its active component goals in terms of both quality and quantity, and we are on track to achieve our goals this year as well.

Success, of course, does not come easy in this effort. Recruiters are working hard. Your continued support has been and will continue to be key. The additional funds that you provided last year for advertising have paid off. The 1995 Youth Attitude Tracking Survey shows that the 1994 drop in positive propensity, which I reported to you last year of young males to join the Army, has been reversed. We believe that is directly attributable to the support you provided us in advertising.

You authorized as well last year additional recruiter positions. That has helped, as well. Thus, the Army has been able to meet its recruiting mission in the Active Army, a mission which is increasing as we approach the end state of our drawdown. For example, the Active Duty Army recruiting mission went from some 63,000 last year to 70,000 this year, and is projected to be in the area of 90,000 in the fiscal year whose budget I report on today.

It is our unparalleled system of training that turns these promising young recruits into professional soldiers, and training remains one of the Army's greatest strengths. From individual training and professional development to unit training supported by the Combat Training Center Program and joint and combined exercises, our training, the training of the U.S. Army, remains a model across the world, especially so for the armies of developing democracies.

To maximize funds, to be careful about our stewardship, we have invested in simulators and simulations. We are streamlining the total Army school system. The fiscal year 1997 budget will provide for 11 brigade rotations through the National Training Center Fort Irwin, and some 8 brigade rotations through the Joint Readiness Training Center at Fort Polk. All combat brigades in Europe will be able to train at the CMTC in Hohenfels, Germany, and it also funds the Battle Command Training Program exercises for four corps headquarters and four division headquarters' training cycles.

Mr. Chairman, a well-trained Army must also be well led. Our Noncommissioned Officer Corps is recognized throughout the world of armies for its professionalism, a strength that cannot be overlooked in terms not only of its impact internally on our soldiers, but externally as well, upon members of the armed forces of our allies, new partners, and potential adversaries.

Our NCO's are at the heart of our success in operational deployments. But they are also a key to success in joint and combined training exercises, in Partnership For Peace Programs and in the military-to-military contacts to which I referred earlier. They have earned and deserve our highest respect and our greatest support.

As those professional leaders will tell you, as they have told me often, quality of life issues are a top priority among both married and single soldiers. Places where our soldiers live and work and the support we provide to their families, often in the absence of service members deployed, are among my top and I know your top priorities. Pay and benefits, medical care, commissary privileges demonstrate our commitment, yours and mine, to our soldiers and to our families.

Some 65 percent of the U.S. Army soldiers are married, 8 percent are single parents. The fiscal year 1997 budget supports items that are high on the priority list for those service members, all of them, and for their families; a 3 percent pay raise, 5,000 additional child

care spaces, eight new barracks complexes and construction or renovation of 742 family quarters.

We are not merely the finest Army in the world, Mr. Chairman. We are also the most technologically advanced. To maintain that status, we must look, as you have said, to modernization. Procurement accounts have been at relatively low levels for several years now for the Army. While we have downsized our force structure and while we have removed older equipment from that smaller force, we are now taking steps with this budget to recapitalize our procurement and RDT&E accounts.

We are achieving savings for reinvestment in R&D and procurement through reduction of infrastructure, through vigorous pursuit of acquisition reform, and through the use, led by our Chief, through the seeking and use of greater efficiencies throughout the Army's business operations.

Our strategy, then, for these intervening years as we accumulate these savings will be to equip the force for near-term readiness while working toward future modernization goals. We are buying a limited number of high pay-off weapons while extending the lives and capabilities of many existing systems. We are retiring some older systems that are expensive to maintain and that provide minimal return in combat capability.

This budget will allow continued development of Comanche. We will pursue the Flight Test Program, begin the development of the reconnaissance mission equipment. It will allow the continued developments of Crusader. We will complete the majority of our demonstration and validation phase and should be prepared by the year 2000 to enter the engineering, manufacturing, and development phase, looking toward a 2005 deployment.

This budget will fund improvements and upgrades to the Abrams tank, the Apache helicopter, the Bradley fighting vehicle and other systems that are essential to Army battlefield digitization, and it will provide procurement funds for the family of medium tactical trucks. We will continue with this budget to make progress in filling our prepositioned sets of equipment both ashore and afloat which provide important assets for contingencies and which we have needed to resort to time and time again. One example of these war reserves is the now much-discussed, much-photographed, and much-visited bridge over the Sava River between Croatia and Bosnia.

Mr. Chairman, this request for 1997 is a result of very careful assessments by the Army's leaders of our needs and priorities. We have identified readiness, modernization and soldiers' quality of life as our highest priorities. We believe this budget will balance the demands of recruiting high quality soldiers and preserving near-term readiness while we prepare to provide for our long-term modernization needs. We are convinced that it will provide a force that is capable of accomplishing its missions for the foreseeable future.

Not more than 24 hours ago, Mr. Chairman, I stood in Aviano, Italy, with the soldiers of the 325th battalion, a battalion of the Lion Brigade, which is part of the Southern European Task Force. They were the first combat unit to enter the Bosnia deployment. They paved the way for all who came after. They were the first

ones to see the mud and to feel the cold, to endure the hardships to be in when our Nation called.

I had the opportunity to provide awards to some 55 of those who participated and are now back with their families, for they were designed merely to pave the way, to do the first part of opening roads, removing snow, to clear their sector and to clear the Russian sector, to cover in battalion strength a brigade size territory. And had you been there with me, I know you would have shared the pride I felt at that moment. I know you share today the pride we feel at what our service members are doing in that far off place.

So it is a pleasure to thank you for the support that you have given them in your legislative processes, in your encouragement and in your everyday devotion to the service that they have rendered. On behalf of them and all the soldiers and families they represent around the world, I thank you for your support in past budgets. I ask you for your support today, and I thank you for your time.

[The prepared statement of Secretary West follows:]

RECORD VERSION

STATEMENT BY
THE HONORABLE TOGO D. WEST, JR.
SECRETARY OF THE ARMY
BEFORE THE
COMMITTEE ON NATIONAL SECURITY
HOUSE OF REPRESENTATIVES
SECOND SESSION, 104TH CONGRESS
ON THE FISCAL YEAR 1997 BUDGET REQUEST
AND
THE POSTURE OF THE UNITED STATES ARMY

8 MARCH 1996

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON NATIONAL SECURITY
HOUSE OF REPRESENTATIVES

**STATEMENT BY
THE HONORABLE TOGO D. WEST, JR.
SECRETARY OF THE ARMY
ON THE FISCAL YEAR 1997 BUDGET REQUEST AND
THE POSTURE OF THE UNITED STATES ARMY**

Mr. Chairman and members of the committee, I am pleased to appear before you today to report on the state of the Army and to discuss the Army's budget request for fiscal year 1997.

As I begin my third year as Secretary of the Army, I could not be more proud of the men and women who serve than I am today. Like you, I have watched these brave young soldiers respond to their nation's every calling with extraordinary professionalism, dedication, and personal sacrifice. Today, more than 41,000 of them are deployed on nearly 1,700 missions in 60 countries around the world -- that is in addition to those who are stationed overseas.

Over the last year, even as the Army's missions increased, we continued to downsize and to prepare for the 21st century by sustaining readiness, enhancing versatility, and improving our power-projection capability. I am proud to represent the Army, its soldiers, civilian employees, and their families before this committee today.

Readiness is our first priority, just as our people remain our most important asset. The Army is ready because we continue to recruit top quality soldiers. Because you have supported our quality of life programs and recruiting initiatives, you deserve much of the credit for our continued success in recruiting -- and, therefore, in readiness.

Today's national security environment is one of diverse dangers and complex challenges. The *Army Posture Statement*, which has been provided to you, reviews the challenges of the post-Cold War world. Today, though, let us focus on the certainties of the future: the Army's missions and its continued readiness.

Army Missions: Selective Engagement

One certainty is the continuing need to deploy American soldiers around the globe in order to reassure our allies, to deter potential aggression and, if deterrence fails, to fight and win. Regardless of the mission -- combat, peacekeeping, or humanitarian support -- the nation will continue to call on the Army.

Why? Because American leadership is essential in today's world. The goals of our National Security Strategy are to enhance our security, to bolster our economy, and to promote democracy. In keeping with those goals, the National Military Strategy calls for flexible and selective engagement. The military strategy focuses on American interests and our ability to make a difference.

As the nation's land force and the strategic core of joint military operations, the Army is a critical player in the National Military Strategy. The Army's role continues to be fourfold: to compel, deter, reassure, and support. And, consistent with the national strategy, the Army contributes to conflict prevention by controlling the proliferation of weapons of mass destruction, strengthening military relationships with other countries, and maintaining a forward presence overseas.

In the last year, American soldiers upheld democracy in Haiti; responded to another threat to regional stability in Southwest Asia; delivered relief supplies to Rwandan refugees; reinforced peace in the Sinai Peninsula; supported refugees in the Caribbean, Panama, and the Pacific; demonstrated resolve in the former Yugoslav Republic of Macedonia; deterred aggression in Korea; and prepared to keep peace in Bosnia and Herzegovina.

While we continue to perform missions like these, the Army will also retain a forward presence in places like Korea and Germany. These forces, along with U.S.-based units that can rapidly deploy, not only reassure our allies, but serve as a deterrent to any potential adversary. This overseas presence is vitally important to our national security.

Another certainty is that the Army will continue to provide support to civil authorities within the United States during natural disasters and

civil disturbances. In 1995, active and reserve soldiers assisted local authorities in fighting fires in the Pacific Northwest; aided flood victims in the South and Midwest; provided relief supplies, logistical support, a hospital and other equipment in the aftermath of Hurricane Marilyn; and assisted in numerous other similar situations. Our tremendous capacity to help has earned the respect of the nation.

Readiness: The Right People, Training and Equipment

The Army must be ready to accomplish the missions of today and those of tomorrow. Readiness requires that we continue to recruit high quality people and provide them with effective training, responsible leadership, a decent quality of life, and modern equipment.

Recruit

Our people are our most important asset, and we continue to have success in attracting and retaining high quality recruits. We are meeting our recruiting goals in the Active Army, in terms of both quantity and quality. However, success is not easy in the recruiting business. In an era of steadily increasing missions, we will continue to succeed only with adequate funding and with the tenacity of our enthusiastic and dedicated force of recruiters.

In the last two years, we asked Congress for increased funding for advertising and recruiter support. We received it, and that funding has produced results. Our latest Youth Attitude Tracking Survey shows that positive propensity among the nation's youth to enlist in the armed forces remained steady from 1992 through 1995. The drop in propensity among young males -- experienced by the Army alone among the Services in 1994 -- has been reversed. Reflecting our success in advertising, the survey also shows increased awareness among youth of the Army's opportunities.

At the same time, again with the help of Congress, we were able to add more noncommissioned officers to the active recruiting force, increasing authorizations from 4,600 in FY 95 to 4,950 in FY 96. That increase, added to the one authorized the previous year, gave us the force we needed to meet this continuing challenge.

Our recruiting goals are two-fold: the right quantity and the right quality. The Active Component recruiting mission has increased in quantity from 63,000 last fiscal year to 70,000 this year. In 1997, as we approach the end of the drawdown -- and therefore must begin to replace losses one-for-one -- our recruiting mission is projected in the 90,000 range. I am pleased to report that we will meet our quantitative goal in the Active Component this year. However, we are behind in Reserve and National Guard accessions and do not project that we will meet the FY 96 quantity goals in the Reserve Component.

The Army achieved its Active Component quality goals in FY 95 and is projected to meet them again in FY 96. In FY 95, more than 95 percent of our active Army recruits were high school diploma graduates, while almost 70 percent tested in the upper half of the Armed Forces Qualification Test. Fewer than 2 percent of our enlistees scored in the lowest test score category. We have achieved similar results for all categories in FY 96.

Clearly, Army recruiters are working exceedingly hard, as they always have. And, we need the continued support of Congress to meet the increasing challenge in recruiting.

Train

It takes training to turn a promising recruit into a soldier, and it takes training to keep our Army ready. Training remains one of the Army's greatest strengths. Our system of individual training and professional development for soldiers remains a model for other armies, particularly for new and developing democracies working to build professional noncommissioned officers corps. Our system of training units is equally strong, with local unit training building up to events at the combat training centers and major joint and combined exercises.

The Combat Training Center program is central to maintaining the Army's readiness. The keys to the program's success are its professional staff, realistic opposing forces, instrumentation on a mock battlefield, and feedback to participants. This budget provides for training at the Army's four combat training centers. It funds 11 brigade rotations through the National Training Center at Fort Irwin, California; and 8 brigade rotations through the Joint Readiness Training Center at Fort Polk, Louisiana. It

enables all available USAREUR battalions to complete a rotation at the Army's Combat Maneuver Training Center in Hohenfels, Germany. In addition, the Battle Command Training Program, a computer-driven tactical exercise, will train four corps headquarters and four division headquarters in FY 97.

To enhance training and make the best use of our training funds, the Army is investing in simulators and simulations. Through an initiative called "Future Army Schools - 21st Century," the Army is establishing a Total Army School System with fully accredited and integrated active Army, Army Reserve, and National Guard Schools. Each component is expanding efforts to reduce duplication, share information and resources, and make tough, but necessary, decisions on organizational change.

Besides preparing our individual soldiers and our units for combat, our training system plays a key role in redesigning the Army's operational forces for the 21st century. Through our battle labs program and warfighting experiments, we are testing and refining the components of success on the battlefield: doctrine, training, leader development, organization, materiel and soldier system requirements. The Army of the 21st century will be designed and built based on what we learn through these battle labs and warfighting experiments.

Lead

A ready Army is not only well trained but also well led. Our noncommissioned officer corps is unparalleled, both in terms of the professional development system that sustains it, and the caliber of the soldiers who comprise it. Our noncommissioned officers are an important source of strength. They are highly esteemed not only throughout the Army, but throughout the armed forces of other nations as well. They provide the foundation for our success in joint and combined training exercises, in our Partnership for Peace programs, in military-to-military contacts, and in operational deployments around the world. They are one of the chief reasons for our Army's success. They have earned our highest respect, and they deserve our greatest support.

Sustain

As those highly professional leaders can tell you -- and often tell me -- quality of life issues remain a top priority of the Army for both married and single soldiers. The places where our soldiers live and work, and the support provided to families, often in the absence of service members who are deployed, are of utmost concern to soldiers and to Army leaders at all levels.

Quality of life initiatives are critical to attracting and retaining high quality soldiers. Pay and benefits, medical care, commissary privileges and retirement demonstrate our nation's recognition of and appreciation for the sacrifices soldiers and their families make. We are committed to ensuring that our soldiers and their families have a standard of living roughly equivalent to their civilian counterparts.

The majority -- 65 percent -- of our soldiers are married, and 8 percent are single parents. We are continuing to expand family support initiatives such as the New Parent Support Program, Programs for School-Age Teens, and Army Community Service programs. We are also continuing to expand the availability of child care facilities throughout the Army.

The FY 97 budget recognizes that high quality people are essential to readiness. It supports a 3 percent pay raise, adds 5,000 child care spaces, builds eight new barracks complexes, and builds or renovates 742 family quarters. In addition, the budget supports increased initiatives for at-risk youth and expansion of child care options.

Equip

A ready force must be well equipped, and American soldiers are the best equipped in the world. The challenge facing your Army is maintaining -- or even improving -- that status in this era of fiscal constraint.

American industry provides us numerous technologically advanced systems. That equipment is a force multiplier: it permits us to remain

dominant on the battlefield although we may have a smaller force than our adversary. In order to maintain this edge, we must continue to modernize.

Because modernization dollars are scarce, we are buying a limited number of new, high pay-off weapons while extending the lives and capabilities of many existing systems. We will also retire some older, expensive-to-maintain systems that provide minimal return in combat capability. Upgrading proven weapons by adding information technology will increase capabilities and lengthen the lives of our weapon systems. Still, the Army will eventually reach the point where additional product improvement of today's systems will provide only marginal benefits. Therefore, in the out-years of the Future Years Defense Program, we are programming the resources necessary to maintain decisive battlefield dominance.

Procurement accounts have been at relatively low levels for several years while we have downsized force structure and removed older equipment from the smaller force. We know that in order to achieve an appropriate level of modernization, the Army will have to once again fund modernization more robustly, and we are taking prudent, appropriate steps to recapitalize our procurement and Research, Development, Test and Evaluation (RDT&E) accounts. We are achieving savings for reinvestment through two major approaches to recapitalization. First, we are reducing infrastructure through privatization and base closings, and we are reducing our force structure or manpower. Second, we are pursuing acquisition reform. Beyond acquisition reform, we are looking for savings throughout all of the Army's business operations. We are also reducing some programs in order to maintain the health of those that remain. We are retiring old, inefficient systems, like the Combat Engineer Vehicle, and saving the operations and support costs for reinvestment into other, more modern and critically necessary systems.

The FY 97 budget will allow us to continue development of these and other programs. It will enable us to continue the flight test program and develop the reconnaissance mission equipment for the Comanche. The budget will also carry us through most of the demonstration and validation phase on the Crusader program, a phase we entered in November 1994. This should allow the program to transition into the engineering and manufacturing development phase on schedule in FY 2000. We plan to commence low rate production in FY 2003 and have

the first unit equipped with Crusader in FY 2005. The budget continues improvements and upgrades to the Abrams tank, the Apache helicopter, the Bradley fighting vehicle, and other systems that are essential to digitization of the battlefield. And it provides procurement funds for the family of medium tactical vehicles, which will modernize the Army's aging medium truck fleet.

Finally, we are making progress in filling our prepositioned brigade sets of equipment, stored around the world, both ashore and afloat. The much-publicized bridge over the Sava River is a war reserve bridge that was stored in a forward location and quickly deployed.

The Right Balance

To conclude, let me offer a few comments on our decision-making process for this budget submission. The President has submitted a budget of \$60.1 billion for the U.S. Army. This request is the result of a very careful assessment by the Army's leaders of our needs and priorities. We identified readiness, modernization, and soldiers' quality of life as our highest priorities. Most importantly, we insisted on the level of readiness necessary to support the National Security Strategy. This budget request provides the Army that level of readiness. Furthermore, this budget balances the demands of recruiting high quality soldiers and preserving near-term readiness, while we prepare to provide for long-term modernization needs.

We structured our priorities to ensure that we are ready to meet tomorrow's challenges successfully. Additionally, we seek some stability in our budget and force structure so that we can meet today's missions while preparing for the future. Although this budget contains some risk in modernization, it provides a force capable of accomplishing its missions for the foreseeable future.

The budget before you reflects today's fiscal realities, and it also reflects the Army's commitment to our nation. That commitment is to serve America proudly -- as the Army has for over 220 years -- and to ensure that our soldiers are trained, equipped, and fully prepared for the missions they are called upon to perform. We look to the Congress, charged to raise and support Armies, for wisdom, guidance, and support as we uphold our commitment to the American people.

UNITED STATES ARMY
POSTURE STATEMENT
FY97



*Meeting the Challenges of
Today, Tomorrow, and the
21st Century*



38-160 309

In September of 1944, on the Crozon Peninsula, German General Herman Ramcke asked to discuss surrender terms with the American Army.

He was in his bunker when his staff brought in the 8th Infantry Division's Assistant Division Commander, Brigadier General Charles Canham.

Ramcke addressed Canham through an interpreter and said, "I am to surrender to you.

Let me see your credentials."

Pointing to the American infantrymen crowding the dugout entrance, Canham replied, "These are my credentials."

Soldiers are still our credentials!

A Statement on the Posture of
the United States Army
Fiscal Year 1997

by

The Honorable Togo D. West, Jr.

and

General Dennis J. Reimer

*Presented to
the Committees and Subcommittees of the*

UNITED STATES SENATE
and the
HOUSE OF REPRESENTATIVES

SECOND SESSION, 104TH CONGRESS

COVER PHOTO: *American soldiers begin crossing the Sava River. The bridge enabled Task Force Eagle to enter Bosnia and begin participation in Operation Joint Endeavor.*



The Honorable Togo D. West, Jr.
Secretary of the Army



General Dennis J. Reimer
Chief of Staff

Foreword

The Army has served the nation for over two centuries. Our Army is truly America's Army — a seamless force composed of Active Duty, Reserve, and National Guard soldiers, civilian employees, and family members serving the nation at home and abroad. We have an obligation to give them the best leadership, weapons, technology, and quality of life possible.

Today's Army is unmatched in the world. We remain prepared to answer the nation's call — a call which is coming more often than ever before. The Army's primary purpose is to fight and win the nation's wars. Our soldiers also can conduct many other operations — from delivering humanitarian aid to enforcing peace. These diverse missions highlight the talent, flexibility, and versatility gained in their training.

These wide-ranging missions also highlight the complex global security environment. The threats today are less predictable than in the past, but just as real and just as dangerous. Rising sophistication among terrorists and rogue states, the standing armies of potential adversaries, and the proliferation of weapons of mass destruction portend increased challenges for the future. The Army will continue to play a key role in the nation's response to those challenges.

In order to conduct our operations at home and abroad, in war and in peace, the Army must have well trained, highly disciplined soldiers. We must provide them with modern equipment and offer them and their families the best quality of life possible. A high quality Army — one that is prepared to execute a variety of missions — costs money. Our resources, more than any other factor, affect the Army's capabilities. Resources determine our recruiting efforts, our training programs, our modernization plans, and our force structure.

We must forge an Army prepared to meet the many new challenges of today's world. America's 21st century Army must be a capabilities-based force — a force capable of executing diverse missions across the continuum of conflict. America's Army is stalwart in its determination to meet the challenges of today, tomorrow, and the 21st century.

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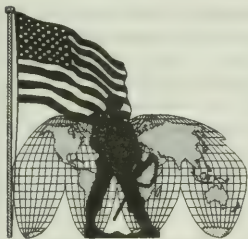
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The annual Army Posture Statement (APS) is an unclassified summary of Army roles, missions, accomplishments, plans, and programs. Designed to reinforce annual Secretary of the Army and Chief of Staff, Army, posture and budget testimony before Congress, the APS is subsequently distributed extensively and serves a broad audience as a basic reference document on the state of the Army.

The APS is produced by the Office of the Chief of Staff, U.S. Army, Congressional Activities Division (DACS-CAD); Telephone: (703) 695-9913/9997; DSN 225-9913/9997; address E-mail to Bennetb@hqda.army.mil.

Executive Summary



America's Army today is the best land force in the world. It has won victory in Panama and Southwest Asia, provided assistance to Americans who suffered the devastation of floods and hurricanes, fed starving people in Somalia, and upheld democratic principles in Haiti. Now it is upholding peace in war-torn Bosnia. Today's Army serves America capably around the world. It is prepared to answer the nation's call in peace, in crisis, and in war to accomplish any task necessary for the protection of American interests.

The Army is a good investment in national security. Although smaller than at any time since before World War II, the Army is being called upon to conduct an increasing number of missions around the world. America has committed its forces in response to crises nearly 40 times since the fall of the Berlin Wall. The majority of the personnel committed to diverse operations — such as counterdrug, noncombatant evacuation, nation assistance, and humanitarian and disaster relief — are soldiers. For less than one-quarter of the defense budget, America's Army leads the way in achieving national objectives in places like Haiti, Rwanda, and now Bosnia. Since 1989, the Army has experienced a 300 percent increase in operational deployments. While the Army has successfully met that challenge, constraints on defense resources make it more difficult to balance operational requirements, readiness, modernization, and quality of life programs.

American leadership is essential in today's world. Ethnic, religious, territorial and economic tensions, held in check by the pressures of the Cold War's bipolar global competition, erupted when those constraints dissolved. Today's threats are more diverse, more unpredictable, and more numerous than at any other time in our nation's history.

The Army's senior leadership recognizes the inherent unpredictability of today's global environment and is adapting to the requirements mandated by a changing world. As we approach the 21st century, the Army must transition from a Cold War, threat-based force to a capabilities-based force that can successfully meet any challenges that lie ahead. The responsibility we share with Congress is to accommodate these changes while conducting operations, preserving the Army's readiness, modernizing for the future, and sustaining the quality of life of our soldiers and their families.

The Army's fundamental purpose is to fight and win the nation's wars. It also conducts other operations as required by our country's leadership. The employment of the Army is the ultimate symbol of American will. The sight of an American soldier on the ground symbolizes our nation's determination to prevail in any situation. Combined with air and naval forces, the Army provides the nation with the ability to employ its military might in support of national policy. However, America's ability to impose its will ultimately depends on its ability to control the land, if necessary, through prompt and sustained land-combat operations. The application of military force on land is an action an opponent cannot ignore. The Army is the nation's force of decision.

Soldiers are our Credentials

Executive Summary

The Army is organized to compel, deter, reassure and support. When all else fails, the Army compels adversaries to yield to our nation's will, as evidenced by recent operations in Panama, Kuwait, and Haiti. The Army deters others from actions counter to our interests by maintaining a trained and ready force, as demonstrated by our long-standing presence in Europe and the Pacific. The Army reassures friends and allies. We are a visible symbol of U.S. commitment to stand firm against any external threat to their sovereignty, as demonstrated in the Sinai, Macedonia, and many other places around the world. Finally, the Army supports communities within the United States. For decades, the Army has provided military support to civil authorities during natural disasters, civil disturbances, and other emergencies.

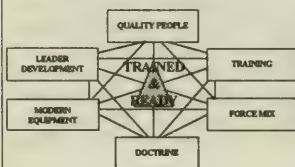
Our National Security Strategy is one of engagement and enlargement. The National Military Strategy, in supporting the National Security Strategy, calls for flexible and selective engagement. As the nation's land force and the strategic core of joint military operations, the Army is critical to the successful execution of the National Military Strategy. The strategy involves a broad range of activities and capabilities to address and influence events in the evolving international environment. Its objectives are to promote stability and thwart aggression, through overseas presence and power projection.

The Army is committed to maintaining a robust overseas presence. We maintain 125,000 soldiers forward-stationed in Europe, the Pacific, and Panama. At the same time, on any given day, an average of over 21,500 soldiers are deployed from their home stations to countries around the world.

America's Army is a ready, versatile force, capable of projecting power. The Army may be called upon to win major regional conflicts, conduct peace operations, or deliver humanitarian assistance. As a mostly U.S.-based force, it must be a power-projection army, capable of rapid response, trained and ready to deliver decisive victory. Our Army provides national leaders the ability to respond to crises with forces tailored to the mission.

As we move towards the 21st century, America's Army confronts three key challenges: maintaining readiness, gaining stability in the force, and becoming more efficient.

First, to maintain readiness, we must make difficult decisions and identify trade-offs. We make those decisions by balancing six fundamental imperatives: *quality people, doctrine, force mix, training, modern equipment, and leader development*.



Quality people are the defining characteristic of a trained and ready Army. They are the single most important requirement for the Army's success today and in the future. Quality people are versatile enough to respond rapidly to unforeseen situations. They are critical to successful mission accomplishment.

Soldiers are our Credentials

Executive Summary

Our *doctrine* provides guidelines for the conduct of military operations. It establishes the intellectual and theoretical foundation for our disciplined evolution to the future.

We must have the appropriate *force mix* of heavy, light, and special operations units, their supporting elements, and sustaining base activities. A proper force mix ensures the Army's ability to project a tailored, sustained land combat capability worldwide.

Training ensures that soldiers, leaders, and units are prepared to fight and win. The Army has set the training standard for armies everywhere. Our demanding training and high standards are absolute requirements for a ready force.

Modern equipment takes advantage of our nation's technological strengths. Modernization is essential as we prepare to enter a new century. A smaller army requires increased lethality, and obsolete equipment must be replaced. The Army's modernization objectives — project the force, protect the force, win the information war, conduct precision strikes, and dominate the maneuver battle — serve to focus our modernization efforts.

Leader development, the sixth imperative, is key to Army success in peacetime as well as in combat. Today's soldiers are tomorrow's leaders. They take time to develop, but the development of confident, competent, and professional military and civilian leaders is our most enduring contribution to the future of the Army and the nation.

The Army's second challenge is to gain stability in the force. The personnel drawdown, base closures and realignments were anticipated, but increased operational commitments have added to recent turbulence. In order to forge a 21st century Army, we must gain a level of stability in personnel, quality of life, installations, and funding.

The Army's most important resource is its people. As General Abrams said, the Army is not made up of people; the Army is people. In order to continue attracting and retaining the quality people vital to the Army's success, we must stabilize the force and ease personnel turbulence. No amount of training or technologically superior equipment will suffice if we do not have enough quality people to accomplish what the nation demands. Numbers do matter. The force is being stretched by commitments that require soldiers in operational units to deploy away from home station and family for 138 days a year, on average. We are concerned that we may have reached the limit on how small the Army can be and still credibly accomplish assigned missions. The Army must remain of sufficient size, strength, and capability.

The quality of life of our soldiers, civilian employees, and family members is an important factor in ensuring we attract and retain quality soldiers. It is vitally important to their commitment and to Army readiness. We are committed to ensuring they receive adequate pay, stable retirement benefits, health care, and housing. We also are working to remedy those issues unique to Reserve Component soldiers and Army civilian employees who we call on to deploy with the force.

Soldiers are our Credentials

Executive Summary

The Army is making a concerted effort to reengineer our installations. We are converting our installations into power projection bases capable of moving and sustaining a force anywhere in the world while continuing to provide an adequate living and working environment. Under the Army's strategy for guiding the transformation of installations, we have instituted numerous programs that will improve both efficiency and capability.

The Army also needs stability in its budget. Maintaining and modernizing the world's premier Army costs money. The dollars on which the Army depends have steadily decreased in real terms. Since 1989, our budget has decreased by 38 percent in constant dollars. Sustaining a high quality force within the Army's current dollar constraints will require choices between today's operational readiness and the needed investment in modernization and future readiness.

Today, Army modernization is badly in need of more resources. Scarce modernization resources are one of the Army's toughest challenges and require that we execute a strategy of buying a limited number of new weapons, while extending the lives and improving the capabilities of existing systems. But ultimately, the modernization necessary to maintain the technological edge that allows us to dominate the battlefield can only occur with additional resources. We continue to search for ways to overcome shortfalls, but if modernization remains underfunded, the Army's long-term readiness and quality of the future force may be at risk.

The third major challenge confronting America's Army is becoming more efficient. We intend to garner savings to pay for a force structure commensurate with operational commitments, to increase investment in essential modernization programs, and to increase spending on quality of life programs. The Army is emphasizing financial stewardship at every level and is aggressively seeking to get the most out of scarce resources by fundamentally changing our operating practices. All reasonable avenues to avoid costs and generate savings are being explored. These include reviewing business practices, revising policies, and proposing organizational changes.

The Army, widely acknowledged as setting the standard for financial management reform within the Defense Department, continues to implement governmental initiatives designed to make government work better and cost less. These initiatives include the National Performance Review, the Chief Financial Officers Act of 1990, and the Government Performance and Results Act of 1993.

The Army is developing an Army-wide efficiency strategy. We will use comparable industry efforts as benchmarks for the Army's business operations. Processes, programs, and organizations are all under review. Our goal is to generate significant savings by driving down the cost of doing business, husbanding constrained resources, and continuing to adopt sound business practices.

Equally important is the fundamental redesign of our institutional forces. We will reduce the number of major army commands, divest the Army of those functions that are not absolutely essential, and reallocate resources to support our core capabilities. At the same time,

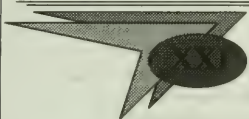
Executive Summary

we are conducting comprehensive reviews of all our headquarters field operating and staff support agencies. We expect to reduce significantly the number of headquarters agencies, and we will explore every opportunity to privatize or out-source a number of administrative support functions.

Several cost-saving programs and initiatives already instituted by the Army are now coming to fruition. Examples are Total Asset Visibility, which enables the Army to continuously track the flow of equipment and supplies from factory to foxhole, and Integrated Sustainment Maintenance, which maximizes the Army's sustaining base repair capability and provides a focused logistics effort. Additionally, the Army has streamlined and reengineered several acquisition programs. Each of these efforts makes the Army a more efficient, productive, and cost-effective organization today, and they each promise to generate increased savings in the years ahead.

As we look to the future, the 21st century holds unprecedented challenges and opportunities for America's Army. The nature of warfare is changing as we enter the information age. The principles and root causes of war, however, will not change, nor will the consequences of being unprepared to fight and win. Our adversaries will be spread across the continuum of conflict, from irregular forces — such as ethnic militias, terrorists, and drug cartels — to the standing armies of foreign powers armed with weapons of mass destruction.

F o r c e



In anticipation of the coming millennium, the Army is transitioning from an industrial-age, threat-based, Cold War Army to an information-age, capabilities-based Army — a ground force with the capabilities necessary to conduct simultaneous and seamless operations across the spectrum of conflict. Force XXI is our comprehensive approach to this transformation. Simply stated, Force XXI projects our quality soldiers into the 21st century and provides them the right doctrine, organization, and training; and the best

equipment, weapons, and sustainment our nation can provide. The product of our Force XXI process will be a versatile army with the capabilities that America needs for the next century — Army XXI. Our civilian and military leadership is committed to forging a 21st century Army organized, equipped, and manned to maximize the potential of the information age.

America's Army has changed significantly in the past five years — in the way it thinks, in the way it operates, and in the way it conducts business. Today, the Army is a technologically enhanced Total Force composed of outstanding soldiers and civilian employees, ready to meet the challenges of an uncertain world. That world has required an increased operational commitment, the pace of which is not likely to abate. To ensure the quality of the future force, we must ensure that sufficient resources are provided to meet those operational requirements, to maintain readiness, to conduct essential modernization, and to improve quality of life programs for the world's premier land force — America's Army.

Soldiers are our Credentials

"In today's international security climate, the United States has to respond quickly and, often, forcefully, to a range of contingencies."

**Secretary of the Army,
Togo D. West, Jr.**

"Operational deployments have gone up dramatically since 1989. It is not a totally peaceful and stable world that we live in."

General Dennis J. Reimer

1. AMERICA'S ARMY TODAY

America's Army has proudly served the Nation for over two centuries, providing for the common defense and serving in countless other ways. It is a unique institution bound closely to American society and culture. The Army's focus has changed from a Cold War, forward-deployed force to a mostly U.S.-based, power projection force. Although smaller now than at any time since before World War II, the Army is being called upon for an increasing number of diverse missions around the world. This accelerated pace has meant more frequent and longer deployments for America's soldiers. At the same time, constraints on resources devoted to defense make it more challenging to balance operational requirements, readiness, modernization, and quality of life.

The Environment Today

Complex Global Security Environment

Ethnic, religious, territorial and economic tensions, held in check by the pressures of bipolar global competition, erupted when Cold War constraints dissolved. The world has entered a period of radical and often violent change. The threats today are more diverse, yet less predictable, than during any other period in our history; they are, however, just as real.

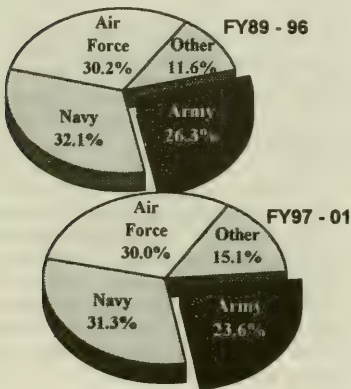
The United States faces no immediate threat to its national survival. Still, our worldwide interests require that we remain engaged in the world. The National Military Strategy notes four principal dangers to which we must be prepared to respond: regional instability, the proliferation of weapons of mass destruction, transnational dangers, and threats to democracy and reform. Already, America has committed its forces to respond to such dangers nearly 40 times in the short period since the fall of the Berlin Wall.

Regional instability, often based on ethnic or territorial disputes, is evident throughout the world. Somalia, Rwanda, Haiti, and Bosnia are just a few examples of countries where America's interests have been affected by instability. Some regional powers, those with strong conventional armies and aggressive modernization programs, can threaten American interests directly. In addition, thousands of nuclear, biological and chemical warheads and strategic delivery systems exist throughout the world. These weapons of mass destruction could present a very real danger in the hands of terrorists or rogue states. Terrorism, drug trafficking, and other transnational dangers exceed the capabilities of any single nation to resolve while posing a significant threat to all if left unchecked. In response to threats to democracy and reform, the United States is committed to strong, active support for nations transitioning into the community of democratic nations. The failure of democratic reform would adversely affect our nation and our interests.

Diminishing Resources

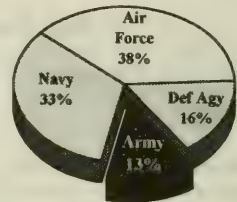
In today's complex global environment, the Army must remain trained and ready, versatile, engaged overseas with our friends and trading partners, and capable of projecting America's power worldwide. It takes significant resources to maintain such an Army. Resource levels affect the number and quality of soldiers and Army civilians, the pace of training, modernization, and maintenance of equipment and facilities. Since 1989, the Army's budget has decreased by 38 percent in constant dollars, while personnel strength has decreased by 35 percent. Yet we are committed to more operations than were anticipated with the conclusion of the Cold War, with fewer soldiers and resources to execute those operations. The Army's share of the Department of Defense budget averaged 26.3 percent during fiscal years 1989 to 1996. It will decrease to an average of 23.6 percent during fiscal years 1997 through 2001.

Average % Shares of DoD Budget



The Army also has the lowest percentage (13) of the Department of Defense budget for Research, Development and Acquisition (RDA). Army RDA funds are so low that necessary modernization is extremely difficult in spite of the fact that the Army has shed facilities and force structure as resources have declined.

The Defense Department invests 32% of its budget in RDA - for the Services and Defense Agencies



Since 1989, the Army has closed 674 facilities worldwide (81 in the United States, 572 in Europe, 17 in Korea and the Pacific, and 4 in Panama). At the same time, the active Army reduced in size from 18 divisions to 10; the Army Reserve has reduced from 29 command and control headquarters and training divisions to 10 support commands and 7 training divisions; and the National Guard has reduced from 10 divisions and 23 brigade equivalents to 8 divisions, 15 enhanced brigades, 2 separate brigades, and an infantry scout group. Since 1989, the active Army has reduced by 262,000 soldiers; our civilian workforce has decreased by 133,000; the Army Reserve has cut 111,000 soldiers; and the Army National Guard has reduced 90,000.

More and Expanded Missions

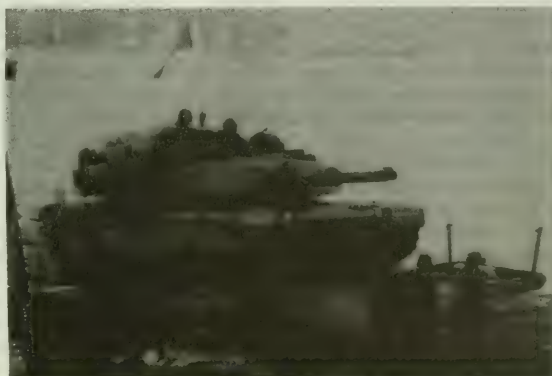
In spite of its smaller size, the Army's activities today are more demanding, more diverse, and more soldier-intensive than at any peacetime period during the Cold War. Operational deployments have increased over 300 percent since 1989. On any given day, over 21,500 soldiers are deployed from their home stations to countries around the world. The amount of time deployed yearly averages 138 days for soldiers in operational units. At the same time, we maintain about 125,000 soldiers forward-stationed in Europe, Panama, and the Pacific.

In the past eighteen months, America's soldiers have upheld democratic principles in Haiti; responded to a second threat to regional stability in Southwest Asia; delivered relief supplies to Rwandan refugees; reinforced peace on the Sinai Peninsula; supported refugees in Panama, the Caribbean, and the Pacific; treated wounded in Croatia; demonstrated resolve in Macedonia; deterred aggression in Korea; helped keep the peace between Peru and Ecuador; and began peace-keeping duty in Bosnia.

At home, American soldiers have assisted local authorities in fighting fires in the Pacific Northwest; aided flood victims in the south and midwest; provided relief supplies, logis-

tical support, a hospital, and other equipment in the aftermath of Hurricane Marilyn; contributed substantially to the counterdrug activities of federal, state, and local drug law enforcement agencies; and provided health care to underserved populations in the United States through the Army National Guard's Operation Guard Care.

For the foreseeable future, U.S. interests will require the Army to remain engaged in the world. This is a simple matter of fact. America has forged economic, cultural, and security links to nations all around the globe. The Army's challenge in this environment is to balance readiness, modernization, and quality of life while continuing to respond to threats ranging from regional wars to peace operations. The Army must remain prepared to confront any future threat. As an instrument of American policy, the Army must be ready to perform a variety of activities to influence the international environment.



American soldiers cross the Sava River on a pontoon bridge to begin keeping the peace in Bosnia. Such operational deployments have increased 300 percent since 1989.

The Army Vision

- **The world's best Army--trained and ready for victory.**
- **A Total Force of quality soldiers and civilians:**
- **A values-based organization**
- **An integral part of the joint team**
- **Equipped with the most modern weapons and equipment the country can provide**
- **Able to respond to our nation's needs**
- **Changing to meet challenges of today...tomorrow...and the 21st century**

The Army's Role

The Army's employment is the ultimate symbol of American will. It is an indispensable component of the U.S. national security strategy of engagement and enlargement, and is essential to deterring or defeating an adversary. The Army has been, is, and will remain a strategic and necessary force.

Fundamental Purpose

The Army exists to fight and win the nation's wars. The Army ably fulfilled its role throughout the formative years of the nation. The Army's role has expanded in the modern era to include defense of U.S. national interests on a global scale. Whether acting unilaterally or as part of a coalition, the Army provides the joint or combined force commander the capability to achieve land force dominance — dominance that is attained through the application of appropriate overwhelming combat power. Mission success, with minimum casualties and collateral damage, is accomplished by the world's best soldiers, employing the most modern equipment, trained and led by superior leaders applying effective doctrine.

The Army is designed to compel, deter, reassure and support. When all else fails, the Army compels adversaries to yield to our nation's will, as evidenced by recent operations to compel Noriega to leave

Panama, Saddam Hussein to depart from Kuwait, and the military junta to leave Haiti. The Army deters others from actions hostile to our nation's interests by maintaining a trained and ready force, as demonstrated by our long-standing presence in Europe and Korea. The Army reassures friends and allies. We are a visible symbol of U.S. commitment to stand firm against any external threat to their sovereignty. Our deployment of PATRIOT missiles to Korea reassured Korean allies, and the deployment of forces to Haiti stabilized the political situation and provided time for democratic development. The Army also reassures allies in Kuwait, the Sinai, Macedonia, and many other places around the world. Finally, the Army supports communities within the United States. For decades, the Army has provided military support to civil authorities during natural disasters, civil disturbances, and other emergencies requiring humanitarian assistance.

Strategic Force of Necessity

While specific threats to the United States have changed, the Army's relevance endures. The Army is America's strategic land combat force and provides the capability for sustained combat operations. The Army's light forces — airborne, air assault, and light infantry — provide the nation a versatile, strategic force projection and forcible entry capability. They also have the ability to operate in restricted terrain, such as mountains, jungles, and urban areas. Heavy forces — armored and mechanized — provide a mobile warfare capability. Special operations forces provide capabilities uniquely suited to the nation's security requirements. The proper mix of light, heavy, and special operations units generates overwhelming combat power. With these forces, stationed overseas and in the United States, the nation has the ability to put a trained and ready contingency force on the ground anywhere in the world on short notice. Furthermore, as proven most recently in Haiti, the Army can reestablish civil infrastructure, and bring order and stability. The Army provides our national leaders great flexibility in dealing with challenges to our national interests. Because of this, the Army provides the National Command Authority with a unique, necessary tool of statecraft.

Force of Decision

The Army provides the capability for decisive victory. Combined with the air and naval forces, the Army provides the nation with the ability to employ its military might in support of national policy; however, the conduct of sustained land operations forms the core of the nation's ability to dominate an adversary. Wars are won on the ground. Only the Army can dominate the land, its populace and other resources. The sight of

an American soldier, standing sentry next to a firmly planted American flag, is our nation's strongest signal of determination to prevail.

The Army affects long-term, lasting change. Against any opponent, in any region of the world, the Army has the assets and staying power to bring any conflict to a successful conclusion. While an opponent might be able to avoid our naval forces or endure punishment from the air, it cannot ignore the application of military force on its own land. From major wars, through lesser conflicts, to peace operations, America's Army is the force of decision.



"You can fly over a land forever; you may bomb it, atomize it, pulverize it and wipe it clean of life but if you desire to defend it, protect it, and keep it for civilization you must do this on the ground, the way the Roman Legions did, by putting your young men into the mud."

T.R. Fehrenbach, This Kind of War

Supporting the National Security Strategy

With new threats come new opportunities. American leadership is essential to calming a troubled world while capitalizing on its opportunities. Focusing on these threats and opportunities, our national security strategy is one of engagement and enlargement. Its goals are to enhance our

security, bolster our economic prosperity, and promote democracy. Our engagement will be selective, focusing on our own national interests and our ability to make a difference. The strategy stresses preventive diplomacy in order to resolve problems, reduce tensions, and defuse crises before they become conflicts. This is accomplished through such means as support for democracy, economic assistance, overseas military presence, military-to-military contacts, and involvement in multilateral negotiations. The nation's military capabilities are essential to executing this strategy. We are the security partner of choice in many regions, and we provide the foundation for stability throughout the world.

Supporting the National Military Strategy

The National Military Strategy calls for flexible and selective engagement. Its objectives are to promote stability and thwart aggression. America's Army is engaged worldwide on a continual basis and contributes substantially to both objectives through its overseas presence and power projection capability.

Our overseas presence reassures friends and deters potential enemies. It also can reduce the time it takes to respond to crises by positioning forces near potential

trouble spots. The Army's overseas presence ranges from highly visible forces stationed permanently overseas, to periodic deployments for exercises, assistance to other nations, prepositioned equipment, military-to-military contacts, and execution of diverse military operations. On any given day, America's Army is engaged in a variety of missions, in countries all over the world. Our overseas presence provides visible proof of the nation's commitment to defend American interests and those of our allies.

While the Army's forward-deployed forces are capable of responding quickly to crises, the bulk of the Army's contingency forces for crisis response are based in the continental United States. The existence of a credible power projection capability complements the Army's overseas presence by acting as a strong deterrent to potential adversaries. It provides our national leaders great flexibility in employing military force.

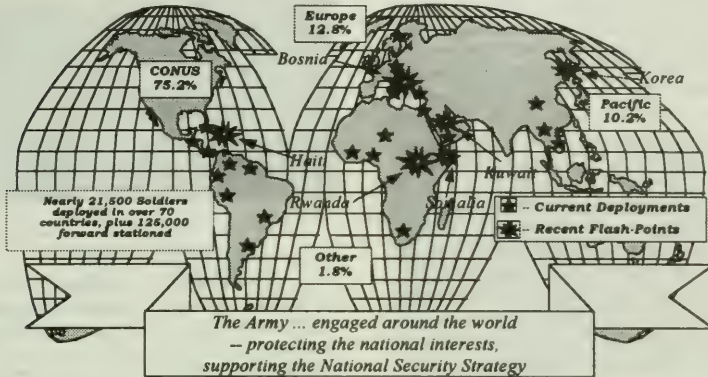
Our ready and versatile Army is essential to fulfilling the nation's requirement for overseas presence and power projection. We continue to refine and enhance our power projection capabilities while providing a continual overseas presence through forward-stationing and operational deployments, in close to 70 countries on any given day.

Army Missions

- **Provide a *credible deterrent* to those states hostile to our nation's interests. If deterrence fails, project power into the region rapidly, defend our interests, and achieve decisive victory.**
- **Provide *forces forward deployed*, promoting regional stability by demonstrating a commitment to our friends and a credible deterrence against aggression.**
- **Be prepared to *participate in multilateral efforts* to broker settlements of international conflict and to bolster fledgling democracies. Cooperation with allies is extremely important.**
- **Be prepared to *conduct diverse missions* such as counterterrorism, punitive attacks, noncombatant evacuation, counterdrug operations, nation assistance, humanitarian and disaster relief.**

Overseas Presence

America's Army is both a power projection force and a major contributor to U.S. overseas presence. Deployed or stationed around the world, America's Army serves the nation on the front lines of the world's trouble spots. Approximately 125,000 American soldiers are stationed throughout the world in forward units, while on any given day, another 21,500 soldiers are deployed from their home stations to contingencies around the globe. Each contributes to deterring aggression, promoting stability, strengthening alliances, and maintaining American presence in regions vital to national interests.



Southwest Asia. Southwest Asia continues to demand a high level of Army involvement. Enforcement of UN resolutions, as well as commitments to our allies in the region, require the continuing presence of Army forces. Throughout the past year, the Army demonstrated U.S. commitment to the security of its allies and to the maintenance of peace in the region. Army efforts included training exercises and operational deployments. Multinational and joint exercises — such as BRIGHT STAR in Egypt and INTRINSIC ACTION in Kuwait — provided important training for the Army and host-nation forces. These exercises

featured the deployment of Army combat, combat support, and combat service support units from the United States and Europe. The deployment of Army combat forces to Kuwait provides a U.S. presence in this volatile area, serves as a credible deterrent, and promotes stability in the region. Additionally, over 1500 soldiers with fixed wing aircraft, helicopters, and other support continue to assist Joint Task Force SOUTHERN WATCH in monitoring no-fly areas and support Operation PROVIDE COMFORT to protect the Kurds in northern Iraq.

The Army continues to provide regional peacekeeping forces to the Multina-

tional Force and Observer (MFO) organization monitoring the Israeli-Egyptian border, as agreed to in the Camp David Accords. The United States has contributed to this effort, along with 10 other nations, for 13 years. The Army provides nearly 1000 soldiers to this mission, mainly from light infantry battalions. They are rotated every six months; others serve one-year tours to provide logistical support to the entire multinational force. The Army conducted a unique MFO rotation in 1995: a composite battalion of the 4-505th Parachute Infantry Regiment assumed the MFO mission from 20 January to 24 July. The task force composition was 80 percent Army National Guard and Army Reserve and 20 percent Active Component. A total of 401 Guard and 45 Reserve soldiers reported for duty.

Southwest Asia will continue to be important to the United States in the years ahead because of the region's energy resources and strong U.S. political and military ties to many of the region's countries. The Army will continue to promote stability in the region by providing overseas presence, strengthening ties with our allies, and closely monitoring the activities of our potential adversaries.

Pacific Rim. The Army contributes significantly to the overseas presence of U.S. forces in the Pacific region with a total of 50,000 soldiers based in Korea, Hawaii, Alaska, and Japan. For the U.S. Pacific Command, they provide a centrally located, rapidly deployable force as well as the ability to participate in nation assistance programs and military-to-military contacts. Special Operations Forces are also continually present throughout the region, providing overseas presence by conducting foreign internal defense missions.

In the Republic of Korea, the Army, as part of the Combined Forces Command,

has continued to deter North Korean aggression and has promoted stability on the peninsula for over 40 years. Army forces, in conjunction with the Armed Forces of the Republic of Korea, maintain a constant vigil against North Korean aggression. American and South Korean forces, together in combined headquarters, regularly exercise and closely coordinate plans for the defense of the Republic of Korea.



A Special Forces Medical Officer provides medical assistance in Thailand.

Throughout the remainder of the Pacific Rim, the Army is engaged with over 35 Pacific nations in exercises, joint training, exchanges, conferences, and humanitarian assistance operations. U.S. Army, Pacific directs the Pacific, Armies Management Seminar, which arranges periodic symposia on topics of broad interest. The Army conducts staff talks with Japan and Korea on a regular basis. Additionally, the Army participates in humanitarian and civic action programs, such as construction and medical projects, throughout the region. These programs enhance professional bonds between the Army and the armed forces of those countries and improves host-nation living standards. Finally, Pacific Command has named the Army the principal military agent assisting law enforcement agencies combatting illegal drug trafficking.

U.S. Army, Pacific has soldiers permanently assigned to the Investigation and

Recovery Team of Joint Task Force FULL ACCOUNTING, which conducts investigations, excavations, and recovery operations of missing American service personnel from the Vietnam War. This support includes explosive ordnance disposal and medical support to the Investigation and Recovery Team.

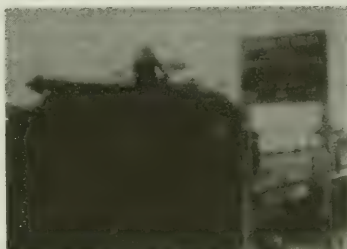
Europe. Europe continues to play an important role in Army operations. U.S. Army, Europe, is no longer focused on Warsaw Pact aggression. It has shifted from a Central European to a regional focus. It is trained and ready for operations ranging from combat to humanitarian assistance. It participates in multinational formations, adds stability to the North Atlantic Treaty Organization (NATO), possesses power projection capability, and is prepared to receive and sustain reinforcing units from the United States.

The Army maintains approximately 65,000 soldiers in Europe and stores prepositioned equipment on the continent to facilitate rapid reinforcement of those forces. The Army's permanently assigned forces in Europe are a visible affirmation of U.S. commitment to NATO.

Since 1991, the Army has reduced combat battalions in Europe from 147 to 37, reduced 39 military communities to eight area support groups, returned 505 installations and 15,100 buildings to host nations, and removed all nuclear and chemical weapons. The Army has reduced its combat structure in Europe from two corps with four divisions and two armored cavalry regiments to one corps with two divisions.

U.S. Army, Europe, soldiers are continually involved in numerous multinational exercises and operations. In 1995, they participated in six "Partnership for Peace" Exercises involving 22 of the 27 nations participating in NATO's "Partnership for Peace"

program. In Operation ABLE SENTRY, a reinforced mechanized infantry company performs an observation and reporting mission as part of the UN Preventive Deployment Force in Macedonia; and soldiers continue to support Operation PROVIDE COMFORT. Army soldiers have also supplied humanitarian assistance to the states of the former Soviet Union, and recently began enforcing the peace in Bosnia in support of Operation JOINT ENDEAVOR. This operation will employ approximately 32,000 U.S. military personnel — 20,000 in Bosnia, 7,000 in Hungary and Italy, and 5,000 in Croatia. The preponderance of these forces will be Army soldiers.



Approximately 30,000 soldiers will support Operation JOINT ENDEAVOR in the Balkans.

Western Hemisphere. In the western hemisphere, the Army supports two unified commands — the U.S. Atlantic Command and the U.S. Southern Command. The Army has approximately 3000 soldiers permanently stationed in Latin America, while hundreds more deploy on a temporary basis to participate in joint and multinational exercises, nation-building activities, counterdrug operations, and civic action programs. These activities are particularly important to promoting stability in nations adjusting to democratic rule.

In the past year, Army soldiers provided the bulk of the force supporting the UN Mission in Haiti. That mission, scheduled to end in April, 1996, is assisting the Government of Haiti in maintaining a secure and stable environment, developing a public security force, facilitating the development of a functional government, and repatriating Haitian migrants. Ongoing Army operations include security for nongovernmental organization food convoys and high-visibility presence patrols. The Army also provides a quick reaction force to the UN Mission and support for Haitian National Police training, which started at Fort Leonard Wood, Missouri in June 1995. Approximately 5275 students will participate in the training, which is scheduled to conclude in early 1996.

The Army also assists in migrant operations at Guantanamo Bay, Cuba by performing security and combat service support functions.

Today, the Army is engaged with every Latin American nation except Nicaragua and Cuba. The Army participates in the biannual Conference of American Armies and regularly holds staff talks with countries throughout the region. It conducts civic action, medical, and engineer operational deployments throughout the hemisphere; it funds a variety of delegation visits through the Latin American Cooperation Fund; and it hosts the multinational School of the Americas at Fort Benning, Georgia. Additionally, much of the U.S. Southern Command's internal development program is built around the capabilities of Army Special Operations Forces.

The Army's work fosters professional militaries throughout the region, promotes human rights, and supports the national counterdrug strategy. Additionally, Operation SAFE BORDER, which began in March 1995, assists in the peaceful settle-

ment of the border dispute between Peru and Ecuador. The Army provides support personnel, helicopters, and U.S. observers to this effort. As part of the withdrawal of U.S. forces from Panama, Fort Davis and Fort Gulick were officially transferred to the Government of Panama on September 2, 1995. This transfer marks a significant milestone in the implementation of the Panama Canal Treaty of 1977.

Africa. Africa is strategically important as a major contributor to the world supply of raw materials and minerals. Army activities on that continent are designed to promote stability and support the U.S. commitment to economic, political, and social development. The United States seeks to foster regional stability and the growth of democratic institutions by assisting African governments in protecting their natural resources and in resisting destabilizing outside influences. The Army provides U.S. European Command and U.S. Central Command with a range of capabilities for potential employment in the region. For example, in 1994 the Army contributed to the U.S. government's response to the desperate need for humanitarian relief operations in Rwanda by providing clean water to combat outbreaks of cholera, assisting in burying the dead, and integrating the transportation and distribution of relief supplies. Additionally, the Army school system trains officers and soldiers from the region and conducts a variety of exchange programs.

Army International Activities Plan. The Army International Activities Plan (AIAP) establishes guidance, methods, and means for the conduct of Army activities with the armed forces, governments, and people of foreign nations. An effective international activities plan strengthens collective defense measures and helps meet the legitimate secu-

city needs of friends and allies by improving their ability to protect mutual security interests. Successful international activities strengthen army-to-army relations, promote allied and friendly support of U.S. foreign policy and military strategic objectives, and lower U.S. force requirements to meet regional contingencies.

The scope of international activities covers four broad areas. These are *politico military* programs, such as army-to-army

relations, training exercises, counterpart visits, and other foreign military interaction programs; *multinational force compatibility* programs to improve interoperability in the multinational environment; *materiel technical* programs conducted primarily with industrialized countries to foster defense cooperation in armaments; and *security assistance* activities that provide highly visible instruments for achieving foreign policy and national security objectives.

Power Projection

America's Army today is a power projection force capable of responding rapidly to threats against national interests anywhere in the world. Our power projection Army provides national leaders the option of responding to crises with tailored infantry, armored, airborne, air assault, and special operations forces. In partnership with the Air Force and Navy, the Army, based largely in the United States, can strategically project a ground combat force capable of delivering decisive victory.

America's Army is capable of operating across the spectrum of conflict. It is prepared to win major regional conflicts, conduct peace operations, and deliver humanitarian assistance. The essential characteristics of the Army are readiness, deployability, versatility, and sufficiency. Additionally, it must be capable of dominating maneuver, conducting precision strikes, winning the battlefield information war, protecting the joint force, and projecting and sustaining combat power.

Power Projection Characteristics

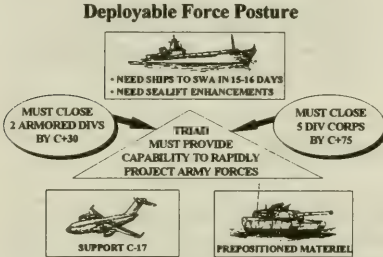
Readiness. Readiness, the essence of power projection, is the ability to field a wide range and mix of forces as they are needed. Selected active forces are prepared to deploy initial elements in 18 hours. Other active forces are prepared to follow as mobility assets become available. Selected Reserve Component forces are prepared to deploy or to man deployment facilities within a few days or even hours. Other reserve forces are prepared to deploy only after longer periods of training. Today, the Reserve Component

is essential to fulfilling operational requirements.

Deployability. Our goal is to project the following forces rapidly anywhere in the world: a light brigade in 4 days; a light division in 12 days; a heavy brigade afloat in 15 days; 2 heavy divisions from the continental United States in 30 days; and a 5 division contingency corps, with its associated support and combat service, support in 75 days.

The Army relies on its partnership with naval and air forces, including mobilized assets from the civil sector, such as the Civil

Reserve Air Fleet and Ready Reserve Force to achieve this level of power projection. We need all 19 medium-speed roll-on roll-off ships planned for by the Navy, and the 120 C-17 Globemasters being fielded by the Air Force.



The Army also must do its part. We are responsible for moving the force from "fort to port" and possess an extensive fleet of rail cars and other infrastructure to do so. We have made significant improvements in these areas and will continue to do so in the future. For instance, we have upgraded on-post rail lines and loading docks, acquired more port handling equipment, and purchased additional heavy duty flatcars. Additionally, we are restoring our global network of equipment pre-positioned overseas, pre-positioning additional equipment afloat, and streamlining our operational stocks and supplies. In addition, we are building a training prepositioned set at the National Training Center. This will provide units the opportunity to train under the conditions they are likely to experience in the event of a major deployment to a hostile area or in support of humanitarian or peace operations.

Versatility. The Army's force structure of heavy, light, and special operations forces coupled with the balance between active and

Reserve Component forces provides the nation with a versatile force that can rapidly respond across the range of potential missions. Versatility also is built into the design and training of Army units and into the development of Army leaders. Versatility enables American combat infantry battalions to be the best infantry in the world and also the best peacekeepers in the world.

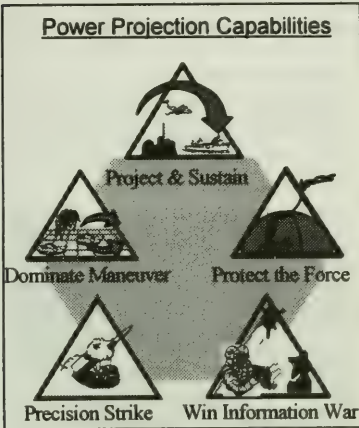
Sufficiency. Decisive victory requires adequate force — enough force to ensure success when combined with the elements of other services and our allies. The Army maintains a variety of unit types that are not completely interchangeable; therefore, the right mix of forces is essential. To confront the myriad of threats and meet the requirements of a wide range of missions, the Army needs a mix of heavy (armored and mechanized) light, and special operations forces.

In addition to combat forces, the Army also provides sustainment to the joint force — rations, water, common items of ammunition, bulk fuel, transportation, and other services. To accomplish its Army missions and executive agency functions throughout a theater, the Army requires a robust mix of combat support and combat service support forces. For the foreseeable future, the operational pace necessitated by a troubled world requires an integrated force drawn from the Active and Reserve Components along with the civilian work force, specifically structured to meet the requirements of the National Military Strategy.

Power Projection Capabilities

Executing sustained land combat and other diverse missions for which the nation uses force requires that the Army possess the capability to *dominate maneuver, conduct precision strikes, protect the force, win the battlefield information war, and project and sustain combat power.* These capabilities

ties provide the joint commander the resources to establish control of the land in a wide range of environments for as long as it takes to accomplish the mission.



Dominate Maneuver. We achieve final dominance of the battlefield through the simultaneous application of fires and control of terrain. This simultaneous employment of combat power throughout the battlespace permits the rapid exploitation of enemy vulnerabilities, denies the enemy the initiative, and leads to its rapid defeat.

Conduct Precision Strikes. Our ability to execute precision strikes rapidly is essential to facilitating maneuver and unhinging enemy actions and plans. This requires that the ground force commander have extensive sensors to identify targets throughout the depth of the battlespace; robust command, control, communications, and intelligence systems to direct multiple strikes rapidly; and control of a variety of weapon systems that can destroy enemy targets.

Win the Battlefield Information War. A prerequisite for battlespace dominance is decisive superiority in the collection, analysis, dissemination, and utilization of information. Information is a vital force multiplier. Army efforts in digitizing the battlespace, developing artificial intelligence, and integrating 'sensor to shooter' links, enable the commander to mass the decisive effects of weapon systems, in less time, and with more agility than the adversary.

Protect the Force. Our ability to defeat an enemy, as well as our ability to deter potential conflicts, is directly related to our ability to protect the joint force from threats. Adequate force protection is achieved through fully integrated air and theater missile defense; defense against nuclear, biological and chemical weapons; and our ability to detect and destroy these weapons prior to their employment. Further force protection is achieved by denying adversaries access to our communications. To be successful, the ground commander must have the ability to attack the enemy and to protect friendly forces.

Project and Sustain Combat Power. In order to achieve national policy objectives around the world, we must be able to deploy and sustain the Army. America's commitment to power projection is embodied in programs of all the services. The Mobility Requirements Study identified requirements for all the Services in support of the National Military Strategy. It cited the need for critical improvements to the nation's air and sealift capabilities and continued support of Army programs such as prepositioned ships and "fort to port." For its part, the Army continues to create an infrastructure capable of rapidly responding to the wide range of potential sustainment requirements.

Serving at Home

The Army is committed to overseas presence, and it also serves the nation at home. Throughout the past year, the Army supported domestic relief operations, counterdrug operations, and other activities benefiting the American people. Just a few of those actions are outlined below.

Disaster Relief. The Army began providing disaster assistance in Oklahoma City immediately after the bombing of the Alfred P. Murrah Federal Building. The Army provided support to the Federal Bureau of Investigation (FBI), Federal Emergency Management Agency (FEMA), the Bureau of Alcohol, Tobacco, and Firearms (ATF), Secret Service, other federal and state agencies. This support included providing Army Corps of Engineer structural and blast effects engineers; medical evacuation helicopters; bomb dog teams; and coordinated airlift for search and rescue teams, FBI crime vans, and medical personnel. A total of 793 active Army and Army Reserve and 465 National Guard personnel participated in this relief effort.

The Army also assisted the U.S. Virgin Islands in the aftermath of Hurricane Marilyn. Army support included ground transportation for distribution of relief supplies, logistical support, an 80-bed hospital, and facilities and equipment to assist FEMA in command and control. The Army Corps of Engineers conducted assessments and contracted for services and supplies totaling over \$161 million. The Corps also shipped 50,000 gallons of water each day by barge to the islands, assisted in the restoration of power, and supervised debris removal. A total of 200 Corps of Engineer personnel and 670 National Guardsmen supported the relief effort.

The Army also serves the nation through the National Guard's Operation GUARDCARE, a two-year pilot program to

provide health care to underserved populations in the United States. In fiscal year 1995, over 60 communities were visited with over 20,000 patients served.



Assisting in the aftermath of Hurricane Marilyn.

Army Civil Works Program. Civil Works missions conducted by the Army Corps of Engineers are extremely beneficial to the nation. The Army's harbor projects are vital to the import and export trade, Corps of Engineers-maintained waterways help move inter-city cargo, and flood protection projects have prevented billions of dollars in damage. The Army also produces 25

percent of the nation's hydropower, and provides water to about 10 million people.

The Army maintains a force of approximately 300 military and 27,000 civilians, supported by tens of thousands of contractor employees, to carry out the Civil Works program. Civil Works provide the Army experience in many specialized fields — resulting in a trained and ready force, able to meet the Army's and the nation's engineering and technical needs.

Civil Works also maintain the Army's capacity for large scale construction. This enables the Army to tackle large military construction missions. The program relies heavily on contracted services, which leverage the Army's capabilities and multiplies its surge capacity for national emergencies. Civil Works missions in natural resources, water quality, flood plain management, and toxic waste control assist the Army in complying with federal environmental statutes and helps the Army maintain a grass roots presence in communities across the nation.

Counterdrug Operations. The Army continues to contribute substantially to the counterdrug activities of federal, state, and local drug law enforcement agencies (DLEAs). The Army provides over 4,000 Active Component, National Guard, and Reserve soldiers on a daily basis to the counterdrug effort. Over 200 Army soldiers and civilians are permanently assigned to counterdrug joint task forces, and 21 are detailed to selected federal agencies to assist in coordinating Department of Defense support.

The Army provides operational support, facilities, reconnaissance, maintenance, intelligence analysis, linguistic support, engineering support, equipment, training, and planning to DLEAs in the United States and its territories. The Army also provides training, aviation support, intelligence, planning, and reconnaissance

support to U.S. federal DLEAs in foreign nations. Currently, American soldiers support counterdrug missions in nine countries in Latin America and in selected Caribbean nations. The Army also extends support to the counterdrug activities of countries in Southeast and Southwest Asia.

During 1995, the Army's commitment to the nation's counterdrug strategy continued to expand: operations along the U.S. southwest border increased over the previous year's levels, and soldiers participated in over 100 overseas deployments. Military intelligence analysts and linguists also continued to be in high demand by DLEAs as was the Army Aviation Center at Fort Rucker, Alabama, which trained pilots and crews. Training of DLEAs by Army mobile training teams also increased significantly.

The Army Reserve and National Guard execute major roles in counterdrug operations. This year the Army Reserve conducted 202 missions involving 1785 soldiers through August 1995, and the National Guard participated in 8,204 operations and averaged 3,000 soldiers per day committed to missions. Guard personnel are in a state active duty status, executing their respective governor's counterdrug plans by supporting the U.S. Customs Service, conducting aviation surveillance of suspected drug activities, manning observation posts near international borders and clandestine airfields, eradicating marijuana, and providing intelligence, data processing, and training support.

1996 Olympics. The Deputy Secretary of Defense appointed the Secretary of the Army the Executive Agent for Department of Defense support to the 1996 Olympic Games. A Joint Task Force, subordinate to the Commander, Forces Command, will

provide command and control for all active duty personnel supporting the games and coordinate with the National Guard elements also providing support.

The major portion of Army support to the Olympics will be security support to the Georgia State Patrol, Atlanta Police Department, and other law enforcement agencies. In a state active duty status, the Army National Guard will assist in maintaining the security of the Olympic village and event venues. Other Army missions include aviation support, warehouse space, and equipment support. It is likely that 8,000 to 10,000 American soldiers will participate in the operation.

Environmental Stewardship. The Army recognizes its environmental responsibilities and is successfully blending its military mission with environmental stewardship. The Army is committed to protecting the nation's environment and conserving natural resources for future generations. The Army environmental program is based on the four major pillars of compliance, restoration, prevention, and conservation.

The Army spent almost \$600 million in 1995 to comply with environmental laws and regulations, such as the Clean Water Act and Clean Air Act. The Army has also evaluated contamination from past environmental practices and initiated restoration through its Installation Restoration Program. The Army spent over \$395 million in 1995 for environmental restoration at Army installations. Spending for pollution prevention exceeded \$69 million in 1995 as the Army continued to make progress in eliminating ozone-depleting substances and reducing the use of hazardous materials.

Conservation ensures the future integrity of valuable national resources, such as wetlands, endangered species, and historic

and cultural sites. Conservation protects sensitive resources, repairs impacted training lands, and ensures proper maintenance and protection of resources and land for the Army's future use. The Army spent \$51 million on conservation programs in 1995.



Army Corps of Engineer scientists are in the forefront of efforts to preserve the nation's wetlands.

Support to Small and Small Disadvantaged Businesses. The Army remains a leader among the military services in increasing small business and small-disadvantaged business participation in both the prime contracting and subcontracting arena. For the fourth straight year, the Army improved its performance toward meeting or exceeding Congressional goals for direct prime awards, subcontract awards, and awards to historically black colleges and minority institutions. In fact, during fiscal year 1995, we awarded the Defense Department's largest single educational contract ever to a black college under the aegis of the Historically Black Colleges and Universities/Minority Institutions initiative.

The Army continues to work toward increased participation of small businesses in Army contracts and actively supports participation of small business entities in all areas of industry. The Army participates actively in the Mentor-Protégé Program, which

provides incentives for prime contractors to assist small and small-disadvantaged businesses. Our aggressive commitment was

demonstrated by the award of over \$3.65 million in subcontracts to firms under the program.

Conclusion

The Army, now based largely in the United States, continues to refine and enhance its power projection capabilities. It provides the nation land force dominance. It also is a versatile force, capable of responding to situations as diverse as regional war, lesser conflicts, and peace operations. It remains a highly trained and professional Army, serving the nation in a challenging time at home and abroad and contributing to the strategic requirements of power projection and overseas presence. The Army is smaller than at any time since World War II, but is conducting an ever increasing number of operations throughout the world. Today's operational pace is unprecedented. This means longer and more frequent deployments for American soldiers; tough decisions to allocate scarce resources among readiness, modernization, and quality of life; and an even greater need to maintain trained and ready forces capable of delivering decisive victory to the nation.



"Well, you can talk all you want about it, but if you see troops on the ground you know America means business."

Soldier deployed to Kuwait
October 1994

The Army's employment is the ultimate symbol of America's will.

“Readiness remains, unequivocally, our number one priority. It affects and is affected by everything the Army does.”

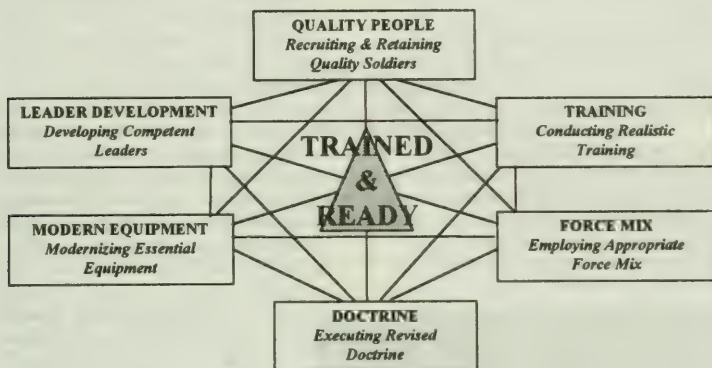
**Secretary of the Army
Togo D. West, Jr.**

“The nation’s resources available for defense are limited, but the uncertainties of today require a ready force capable of responding quickly and decisively to protect our nation’s needs.”

General Dennis J. Reimer

2. THE READINESS CHALLENGE: BALANCING THE IMPERATIVES

The challenge of maintaining readiness while simultaneously fulfilling worldwide operational commitments and building America's 21st century Army requires difficult decisions and trade-offs. The Army guides its decisions by balancing the fundamental imperatives that have shaped the development of today's Army.



The first of these imperatives — the overarching requirement for the Army of today and tomorrow — is *quality people*. Quality people enable the Army to fulfill worldwide strategic roles in spite of a relatively small structure. Quality people are versatile enough to respond rapidly to unforeseen situations. They are critical to successful mission accomplishment.

The second imperative is to maintain forward-looking warfighting *doctrine*. Doctrine is the foundation for the Army's disci-

plined evolution to the future. In its doctrine, the Army recognizes the need to integrate its capabilities with those of the other services and of our allies in order to achieve maximum combat power and effectiveness.

The third imperative is to maintain the appropriate mix of armored, light, and special operations forces in the Active and Reserve Components. A proper *force mix* ensures the Army's ability to project a tailored, sustained land combat capability worldwide.

The fourth imperative is tough, realistic *training*. America's Army has set the training standard for armies everywhere. Demanding training, accomplished to high standards, is an absolute requirement for a ready force.

The fifth imperative is *modern equipment*. The Army continually modernizes for one reason: to enhance our warfighting capability. To develop needed capabilities on time, the Army must emphasize aggressive research and development in the key areas of operational concepts, unit

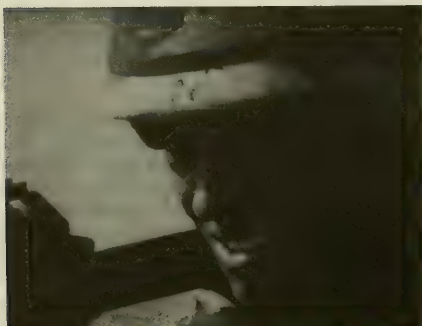
designs, materiel, and training innovations.

The sixth imperative is *leader development*. The Army depends on the high quality of its soldiers, and on the competence of its leaders. Developing leaders of soldiers and civilians is an important and lasting contribution to the future Army.

Adherence to these imperatives has positioned today's Army to address the challenges of tomorrow and the 21st century. Only by properly balancing these proven imperatives will the Army continue to be trained and ready.

Quality People

The Army must continue to attract and retain America's best young men and women. The importance of these quality people was clearly demonstrated in operations in Panama, Southwest Asia, Somalia, Rwanda, Haiti, and elsewhere where our soldiers and their leaders performed superbly under extremely adverse conditions. The Army's success in responding to these diverse and expanding missions, where versatility and adaptability were essential, validates the importance of quality people.



Quality people are critical to successful mission accomplishment.

The Army needs competent and flexible soldiers and civilians to forge the Army of the future. The challenging global security environment, the complexity of emerging technologies, and the diverse missions being assigned to the Army will continue to require men and women of intelligence and dedication who are able to adapt quickly to the mission at hand.

Consequently, maintaining quality soldiers and civilians, as we forge the 21st century Army is our top priority. The Army is committed to taking care of our soldiers, civilians, and their families by continuing to enhance essential quality

of life programs, by maintaining a steady flow of promotions and schooling opportunities, and by providing adequate career opportunities.

Recruiting

In fiscal year 1995, the Active Component achieved its quality and quantity goals for enlisted accessions. It accessed 62,929 soldiers, 95 percent of whom possessed high school diplomas, and 70 percent of whom scored in the highest Test Score Categories on the Armed Services Vocational Aptitude Battery. Fewer than 2 percent scored in the lowest category. The Army Reserve accessed 48,098 enlisted soldiers in 1995, exceeding its quality goal and nearly achieving its quantity goal for enlisted accessions. Of the non-prior service soldiers, more than 95 percent possessed high school diplomas, almost 75 percent scored in the highest test score categories, and fewer than 2 percent scored in the lowest. The Army National Guard accessed 56,711 soldiers in 1995, not quite achieving quality and quantity goals. Over 82 percent possessed high school diplomas, 54 percent scored in the highest test score categories, and fewer than 2 percent scored in the lowest.

Although the Army achieved its enlistment goals in 1995, challenges loom on the horizon. In the period from 1989 to 1994, surveys show a 39 percent drop in young people's propensity to enlist in the armed forces. With the end of the drawdown, the goal for active Army enlistments will be about 90,000 yearly. Clearly, for these reasons, the recruiting environment will continue to become increasingly difficult.

The Army is ready to face that challenge. We have already added 350 active Army recruiters to the force and are adding another 250. We are also adding \$16 million

to our advertising budget and plan to keep it at that higher level through the end of the century. We will sustain sound bonuses and benefits as well. These initiatives, coupled with a professional recruiting organization, will ensure that the Army is manned with quality personnel.

Retention

The retention of quality soldiers, particularly soldiers in their first term of service, continues to contribute to personnel readiness. It is equally important that we retain the skills and experience of soldiers leaving the active force by having them affiliate with Reserve Component units. As we continue the transition to a smaller Army, our focus is on the selective retention of only our top performers.

In fiscal year 1995, the Army accomplished 104 percent of its initial term reenlistment goal and 100 percent of its mid-career goal. The transition program into the Reserve Component for soldiers leaving active duty was slightly above the goal of 13,500. Enhanced advertising efforts, the lessened intensity of the drawdown, and command involvement all played a role in this success. Today's soldiers approaching reenlistment are high caliber individuals who entered the Army three to five years ago. This indicates that the future noncommissioned officers corps of the Army will remain as professional and capable as it is today.

The future will present new challenges in retention. Frequent deployments, instability during the drawdown, and a perceived loss of benefits have the potential to affect retention adversely. Soldiers' quality of life, compensation, and health and retirement benefits influence their decision to leave or to remain in the service. Perceptions of public support also play a large role in retaining a strong, quality Army.

Doctrine

America's Army is based on doctrine. Doctrinal principles, tenets, and fundamentals guide the conduct of all military operations. The Army's doctrine is based on fundamental, well understood principles rooted in military experience. It applies to Army forces worldwide but is readily adaptable to the specific strategic and operational requirements of each theater or regional area. Our doctrine is forward-looking and takes advantage of technology to maximize the application of military power. Army doctrine also is the authoritative basis for force design, materiel acquisition, professional education, individual and unit training. It provides an intellectual foundation for the development of tactics, techniques, and procedures.

FM 100-5, Operations

The Army's capstone manual is FM 100-5, Operations. It explains how the Army, in conjunction with the other military services, operates when committed to war or other military operations. It focuses on the linkage of the strategic, operational, and tactical levels of war, and it outlines an operational concept of simultaneous, continuous, all-weather, joint and combined land combat operations across the battlespace. It reflects the realities of changing security and resource environments.

The Army's concept of waging war is to dominate an enemy in space and time. Through the conduct of decisive joint and combined land combat operations, we deny the enemy the physical and psychological ability to maintain a coherent operational plan or to respond to battlefield conditions. By continuously and simultaneously applying the complementary capabilities of all the services across the battlefield, U.S. forces will overwhelm opponents. By applying joint and Army doctrine, operational concepts, organizational skills, and mental agility, we assure decisive victory. Our ability to conduct simultaneous, synchronized attacks on multiple objectives using every tool of the services exemplifies the dawn of a new age in warfare.

FM 100-5 focuses on decisive land combat through greater operational flexibility, improved force projection, and incorporation of technological advances. At the same time, it recognizes the Army's role in joint and coalition operations worldwide. This manual also stresses the importance of mobilization and deployment. Our doctrine requires versatile leaders who understand the requirements of decisive victory and can use that understanding to ensure success in any operation.

Joint Doctrine

The tenets of FM 100-5 also guide the Army's participation in the development of joint doctrine. Joint and Army doctrine assists commanders in the conduct of simultaneous joint operations over the entire theater of operations. All of today's military operations are joint, and the effective coordination of forces from all the services is essential for success. Consequently, the services and the Joint Staff have developed joint doctrine. The Joint Doctrine Master Plan standardizes the development of joint doctrine, ensures combatant command participation, and directs consistency of service doctrine with joint doctrine.

Joint doctrine development is entering its second phase, known as "Integration and Improvement." During this phase, we will assess doctrine through deployments, exercises, training and simulations. We will integrate doctrine vertically and horizontally across all echelons of the services and expand multinational considerations. There are currently 63 joint publications, and almost 40 more are under development.

Multinational Operations

Recent operations in Southwest Asia, Somalia, and Haiti remind us of the Army's need to operate in conjunction with the armed forces of other nations. Multinational operations are an integral part of our nation's coalition-based defense strategy. To be successful in multinational operations, we must maximize interoperability and standardization among U.S. forces and our allies. Multinational doctrine guides the conduct of coalition operations.

A variety of efforts between the United States and our major allies, such as military-to-military exchanges and formal standardization agreements, are aimed at improving our ability to operate together. Multinational exercises also contribute to the development and refinement of common doctrine, tactics, techniques, procedures, and equipment. FM 100-5 provides the basic framework for developing tactical doctrine compatible with our allies.

Future Doctrine

The Army will continue to be an institution based in doctrine — that is, doctrine will remain the primary means of embodying the Army's operational concepts.

Changes in our national security strategy, developments in the human sciences, and advancements in information technologies will influence future doctrine. These advancements, reflected in doctrine, will inform change in the Army's training, equipment and organization. Future doctrine will reflect a fluid strategic environment, lessons learned from operations, emergence of new warfighting technologies, and the results of simulations and experiments in our battle labs.

Versatility will be a key characteristic of future doctrine. The expanding scope and unpredictable nature of military operations require a versatile doctrine to ensure success in war and other military operations. The 21st century Army will also have to work with other services, foreign forces, and even nongovernmental agencies in doctrine development. Progressive, relevant, realistic, flexible doctrine will be critical to success in the future.



The Army's concept for waging war is to dominate an enemy in space and time.

Force Mix

America's Army maintains the appropriate mix of heavy, light, and special operations units, their supporting elements, and sustaining base activities. These units are organized, equipped, and trained to deliver the decisive victory demanded by the nation. The size and composition of the force are based on assessments of potential threats and of the capabilities required to meet them. These assessments are tempered by considerations of affordability and risk.

The Army is now largely based in the continental United States. It is a trained and ready, power projection army focused on responding to crises with tailored force packages. While we draw crisis-response contingency forces primarily from the active Army, these forces rely on the sustainment capabilities of the Reserve Component. Our force structure will stabilize in 1996 with a 4-corps, 18-division Total Army. This force will consist of four active divisions based overseas (2 in Europe and 2 in the Pacific) to maintain credible deterrence and to demonstrate unambiguous commitment to allies worldwide; four active U.S.-based contingency-force divisions prepared to deploy as part of crisis response forces; two active U.S.-based rapid-response reinforcing divisions; fifteen National Guard enhanced brigades to serve as reinforcing forces; and eight National Guard divisions to serve as a strategic reserve in the event of a protracted conflict. The Army is conducting a study to determine how best to utilize Army National Guard divisions to alleviate identified shortages in combat support and combat service support units.

Heavy Forces

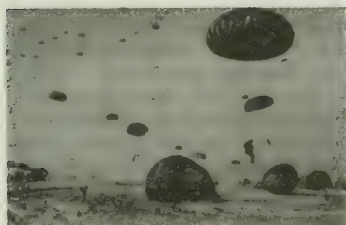
Operation DESERT STORM demonstrated that heavy forces are essential in modern maneuver warfare. The Army's heavy forces — armored and mechanized

infantry divisions equipped with Abrams tanks, Bradley fighting vehicles, Apache attack helicopters, and Crusader advanced field artillery systems — possess the firepower necessary to dominate any opponent on mid- and high-intensity battlefields and to complement light forces on lower-intensity battlefields. At the end of fiscal year 1996, the Active Army will have four mechanized infantry and two armored divisions. The Army National Guard will have two mechanized infantry divisions, two armored divisions, three medium divisions, two enhanced armor brigades, five enhanced mechanized brigades, one enhanced armored cavalry regiment, and one separate armor brigade. Through modernization, the Army will increase the lethality of its heavy forces to ensure continued dominance into the 21st century.

Light Forces

Army light forces consist of airborne, air assault, and light infantry divisions designed to deploy quickly to trouble spots worldwide. They provide the nation an extremely versatile, strategic force projection and forcible entry capability. Light forces can be integrated with armored forces to provide a mix of combat power to meet the requirements of any contingency. Integrated training at our training centers and the education of leaders in our school system ensure

that light and heavy forces can work in concert. Currently, there are four light divisions in the active Army and one in the Army National Guard. In addition, the Guard has seven enhanced infantry brigades, one separate infantry brigade, and one infantry scout group.



Army light forces provide the nation an extremely versatile, strategic force projection and forcible entry capability.

Special Operations Forces

The Army's Special Operations Forces provide a broad range of military capabilities to support national security. They execute sensitive missions authorized by the National Command Authority and also support all Army and joint operations. These forces include Special Forces, Ranger, Special Operations Aviation, Psychological Operations, and Civil Affairs.

Special Forces. The Army's Special Forces units conduct unconventional warfare and perform special reconnaissance, counterterrorism, and direct action missions. They also train and assist foreign military and paramilitary forces in internal defense. There are seven Special Forces Groups - five in the active Army and two in the National Guard.

Rangers. Army Rangers are specially trained light infantry units organized to deploy rapidly to any region of the world to conduct special operations

against critical military objectives. The 75th Ranger Regiment consists of a regimental headquarters and three Ranger battalions.

Special Operations Aviation (SOA). Army Special Operations Aviation, with its specially trained crews and modified aircraft, provide the unique capability to support the missions of special operations forces at night and during adverse weather. These unique aviation assets are organized into an SOA regiment consisting of three active Army battalions and one forward-stationed company.

Psychological Operations forces provide theater commanders with a means to shorten conflict, reduce casualties, and achieve military objectives with minimum force. With psychological operations forces, the commander can communicate U.S. policy to denied areas and create appropriate perceptions to facilitate operational success. The Army maintains two of these groups in the Army Reserve and one in the active Army.

Civil Affairs units provide the important interface between deployed military forces, the civilian population, and governmental and nongovernmental agencies. Civil Affairs units are directly concerned with the political, economic, and informational elements which support the military's accomplishment of national objectives. There are currently 36 Reserve Civil Affairs units and one active Civil Affairs battalion.

Force Structure Actions and Trends

The fundamental roles of America's armed forces are to deter war and, should deterrence fail, to fight and win. Army missions are derived from the National Security Strategy and the National Military Strategy. In supporting these strategies, Active Army

divisions have been reduced from the 1989 level of 18 to the current level of 10, focused on continued overseas presence and power projection. Army National Guard divisions, reduced from 10 to 8, provide a strategic reserve in the event of a protracted conflict. At the end of fiscal year 1995, total force strength was 508,038 in the active Army (down 262,000 from 1989) and 616,000 in the Reserve Component (down 160,000 from 1989). At the end of fiscal year 1996, the active Army will have an end strength of 495,000 and the Reserve Component will have an end strength of 603,000.

In fiscal year 1995, we made several changes in force structure. We inactivated two brigades (194th Armored Brigade at Fort Knox, Kentucky and the 3rd Brigade, 25th Infantry Division at Schofield Barracks, Hawaii). We realigned the 1st Brigade, 7th Infantry Division at Fort Lewis, Washington, as 1st Brigade, 25th Infantry Division. The 1st Brigade, 6th Infantry Division at Fort Richardson, Alaska became the 6th Separate Infantry Brigade and is aligned with the 10th Mountain Division at Fort Drum, New York, as the division's third brigade for planning purposes only.

Realignment of the Continental United States Armies (CONUSAs) also was completed in 1995. CONUSAs provide regional oversight of the training and mobilization of Reserve forces and have domestic responsibilities, such as disaster assistance. In 1995, we inactivated the 6th Army at Presidio of San Francisco, California, and consolidated oversight of Reserve units under the remaining two CONUSAs, 5th Army at San Antonio, Texas, and 2nd Army at Fort Gillem, Georgia.

Access to Reserve Components

To meet the security needs of the nation, the Army maintains a balance of

active Army, Army National Guard, and Army Reserve units and personnel. Active units form the bulk of early deploying forces during a contingency operation, while high-priority Guard and Reserve units provide augmentation support and essential capabilities not found in the active force. As an operation continues, a larger proportion of the force comes from the Reserve Component. The Guard and Reserve also play an increasingly important role in peacetime engagement missions, such as peacekeeping and humanitarian and civil assistance operations, while continuing to respond to domestic emergencies. Timely access to the Reserve Component remains essential to successful planning and execution of contingencies.

In 1994, Congress extended the limits of involuntary service for Reserve Component units called to active duty under the Presidential Selective Reserve Call-Up from 90 to 270 days. This initiative has contributed to greater continuity, dependability, and integration of the Reserve Component into the conduct of military operations. With the support of the Assistant Secretary of Defense for Reserve Affairs, the Army continues to seek congressional authority to access the individuals of the Individual Ready Reserve under Presidential Selective Reserve Call-Up. The ability to recall members of the Individual Ready Reserve is critical to achieving total personnel readiness of deploying units in a variety of operations. Access to this essential component is presently limited to periods of declared national emergencies and partial mobilization.

The October 1993 Active and Reserve Component Senior Leaders Offsite Agreement, endorsed by the Defense Department, stabilizes the Reserve Component end strength at 575,000 (367,000 Guard and 208,000 Reserve) through fiscal year

1999. It also guides the realignment of functions between the Army Reserve and National Guard. This realignment places the preponderance of Reserve Component combat power within the National Guard, enabling them to maintain a balanced force. The Army Reserve will then have a preponderance of combat support and combat service support units. A total of 22 combat and 28 aviation units from the Army Reserve are migrating to the National Guard, while 128 combat support and combat service support units are migrating from the National Guard to the Army Reserve. The transfer of units began in fiscal year 1994 with the National Guard receiving responsibility for all Reserve Component Special Forces. It continued in fiscal year 1995 with the transfer of over 8,000 positions. The transfers are projected for completion in fiscal year 1997.

Like the active Army, the Reserve Component will have to improve in capability while declining in size. To improve unit and individual skills, we have associated 15

enhanced brigades from the National Guard with active Army combat units for training. The Army will ensure that these units receive resources sufficient to enable them to begin deployment to a crisis within 90 days of mobilization.

Additionally, three other initiatives ensure that early-deploying units are fully manned, totally equipped, and trained to standard. The BOLD SHIFT program has been enhancing Reserve Component readiness for four years. Under this program, active Army officers and noncommissioned officers help train the Reserve Component. The National Guard instituted a managed readiness philosophy to set priorities for resources and to ensure attainment and sustainment of required levels of readiness for all National Guard units. The Army Reserve instituted the Priority Reserve Initiatives in Mobilization Enhancement (PRIME) Program, which evolved into tiered readiness/tiered resourcing, to ensure high-priority units are ready and immediately available for deployment.

Training

Training molds the Army into a force capable of decisive victory in any endeavor. Training ensures that soldiers, leaders, and units are prepared to fight and win. Well trained and led, quality soldiers have proven capable of adapting to any situation, against any opponent, anywhere in the world. Only by remaining well trained can America's Army expect to deliver decisive victory. The Army has one standard: tough, realistic, battle-focused training which prepares soldiers and units for a wide variety of missions. Training must remain our top priority.

The three pillars of the Army training system are institutional training, unit training, and self development. Each serves one underlying purpose, to enhance the ability of units to perform their missions. Unit readiness is the objective of all Army training.

Combat Training Centers

The Combat Training Center (CTC) Program is central to the Army's strategy of maintaining a lethal, versatile, and ready force capable of rapidly projecting power

and obtaining land force dominance. The CTC Program was established to increase unit readiness for deployment and warfighting; to produce bold, innovative leaders through stressful tactical and operational exercises; to embed doctrine throughout the

Total Army; and to provide a data source for lessons learned to improve doctrine, training, leader development, organizations, and materiel. The objective of the CTCs is to provide realistic, tough, and stressful training based on Army and Joint doctrine.

Combat Training Centers are an investment in the professionalism of America's Army. The centers provide a learning environment for units to conduct realistic battlefield rehearsals. Instrumented battlefields allow the employment of fighting systems according to established doctrine as part of a combined arms team. As the Army prepares for the 21st century, its doctrine, training, and organizations will continue to be restructured and institutionalized based on lessons learned at the Combat Training Centers.

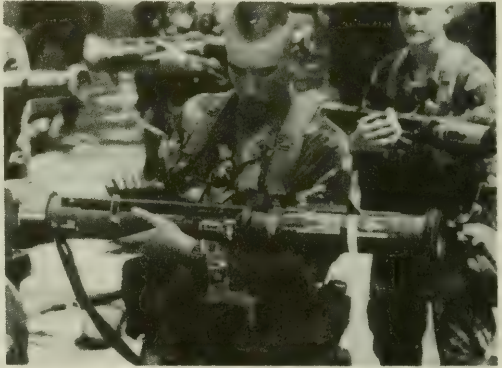
The CTCs include a world-class opposing force, professional observers and controllers, an environment of unrestricted force-on-force training, and live-fire ranges that approximate actual combat. The CTC program includes the National Training Center (NTC) at Fort Irwin, California; the Joint Readiness Training Center (JRTC) at Fort Polk, Louisiana; the Combat Maneuver Training Center (CMTC) at Hohenfels, Germany; and the Battle Command Training Program (BCTP) at Fort Leavenworth, Kansas.

The National Training Center provides realistic combat training under mid- to high-intensity conflict conditions. A brigade task force with two maneuver battalions trains during each rotation. Various mixes of light and heavy battalions as well as aviation and armored cavalry

units are employed. The NTC objective is to sustain 12 of these rotations each year.

The Joint Readiness Training Center provides training focused on low- to mid-intensity contingency operations. Forces trained include airborne, air assault, light infantry, and other rapid deployment units. All rotations include Special Operations Forces, and one rotation is focused entirely on special operations. Armored operations also are extensively integrated into training, and strong Air Force participation results in substantial joint training. The JRTC objective is to sustain 10 rotations per year.

The Combat Maneuver Training Center provides training to the forward-based forces of U.S. Army, Europe (USAREUR). Able to simulate situations from peace operations to high-intensity conflict, the CMTC objective is to train all maneuver battalions in USAREUR at least once each year as part of a brigade task force. USAREUR also permits three German and other allied (French, Dutch, German, and British) rotations each year on a reimbursable basis.



Training ensures that soldiers, leaders, and units are prepared to fight and win.

The Battle Command Training Program extends CTC training to division and corps commanders and their staffs. The two-part BCTP experience consists of a seminar followed several months later by a computer battle simulation command post exercise. Both phases can be conducted at the unit's home station, permitting more realistic training, with wider involvement of staffs in a tactical field environment at lower cost. The BCTP objective is to train all active component division and corps staffs once every two years (12-15 rotations per year) and all Army National Guard division staffs once every three years. National Guard enhanced brigades also conduct BCTP with their associated active component units.

Army and Joint Exercise Program

The Army conducts military exercises to simulate wartime operations. Exercises conducted in a realistic battle-focused setting help train commanders, staffs, and units for combat and enhance force readiness. Senior commanders use military exercises to integrate units performing separate battlefield functions into combined arms forces. Exercises allow leaders, staffs, and units to practice operational procedures and to refine war plans. The Army conducts unilateral exercises at all levels from Headquarters, Department of the Army, to corps level and below. Joint exercises are normally conducted as part of the Chairman, Joint Chiefs of Staff (CJCS) Exercise Program.

The primary objective of the CJCS Exercise Program is to improve the regional Commander-in-Chiefs' (CINC) warfighting capabilities. Joint exercises ensure that U.S. forces are trained to accomplish tasks essential to executing a CINC's missions. The CJCS Exercise Program is the Army's primary joint training vehicle. CJCS exercises provide Army forces the opportunity to train under the operational control of

warfighting CINCs and to deploy troops and equipment to such varied environments as Europe, Korea, Southwest Asia, the Pacific, and Central America. The Army participates in approximately 50 CJCS exercises each year.

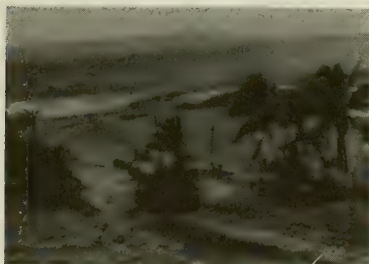
The Partnership for Peace (PFP) Exercise Program was begun in 1995. It is one of NATO's top priority political/military initiatives. It is designed to expand and improve military and political cooperation among NATO nations and other European nations that belong to NATO's Partnership for Peace program. The scenarios for these exercises focus on non-combat operations. The exercises enhance the coordination of military forces for peacekeeping, humanitarian assistance, and search and rescue operations. In 1995, the focus was on company and battalion-level participation. In 1996, the program will involve brigades and divisions. A PFP exercise, COOPERATIVE NUGGET, was conducted at the Joint Readiness Training Center at Fort Polk, Louisiana, in August 1995. The exercise, designed to improve interoperability between participating forces in peacekeeping and humanitarian relief operations at the company and platoon level, involved fourteen East European countries.

Overseas Deployment Training of the Reserve Component

Overseas deployment training enables Reserve Component units and individuals to conduct mobilization and deployment activities, tailor peacetime training to wartime mission requirements, strengthen associations with active units, and improve readiness through realistic training. Participants gain familiarity with the terrain and political environment in their assigned wartime theaters and support active component programs and missions. In some instances, they contribute humanitarian assis-

tance to developing countries while receiving valuable mission related training.

Approximately 45,000 Reserve Component soldiers participate in overseas deployment training annually — in joint exercises such as FUERTES CAMINOS and FUERTES DEFENSAS in Central America, BRIGHT STAR in Egypt, ATLANTIC RESOLVE in Germany, ULCHI FOCUS LENS in Korea, and KEEN EDGE in Japan.



Overseas deployment training for the Reserve Component is a key part of overseas presence. Here, Army National Guard engineers build a road in Panama during joint Exercise FUERTES CAMINOS.

Reserve Component soldiers provide medical care, dental care, and education in preventative medicine local populations worldwide. In 1995, National Guard humanitarian and civic assistance operations resulted in the construction or rehabilitation of 24 schools, six clinics, one hospital, two community centers, 27 wells, 90 kilometers of road, and six bridges. Army Reserve soldiers provided port services and retrograde operations in Southwest Asia, rebuilt training areas in Germany, and constructed miles of roads in Central America. Additionally, Reserve Component soldiers provided maintenance support for pre-positioned equipment overseas and assisted in the retrograde of equipment from Europe. National Guard soldiers also executed an engineer

exercise in Albania — the first in an Eastern European country.

The intelligence arena offers a prototype of future Reserve Component incorporation into active Army missions. In the past year, Army Reserve and National Guard military intelligence soldiers contributed more than 8300 soldier days of intelligence collection and production support to a variety of national, joint, and Army commands and agencies.

The Army's senior leaders recognize that overseas deployment training for the Reserve Component is a key part of overseas presence. It is a visible demonstration of the Army's resolve to support our allies and emerging nations.

Operating Tempo

Operating Tempo (OPTEMPO) is the Army's mechanism to align training resource requirements with training readiness. The Flying Hour Program, set at 14.5 hours per crew per month, is driven by unit Mission Essential Tasks Lists and Army regulations. Ground OPTEMPO, based on 800 miles per year for a tank battalion, is the product of event-based execution models that generate requirements for fuel, repair parts, depot level reparables, and other recurring operating costs. The dollar requirements for both programs are developed by analyzing the most recent force structure information and programmed vehicle usage and cost per mile of operations. The intent is to support the financial planning requirements at the major commands while providing Congress a credible means of defining the Army's training resource requirements.

Since 1995, this methodology has been supported by analysis of monthly Unit Status Report data, quarterly ground mileage data, and flying hour execution data. However, since Operation Desert Storm, the link

between training execution and readiness reporting has not been entirely accurate. Many units have continued to report high readiness while underexecuting ground mileage and flying hour allocations. Several factors, such as the substitution of less maneuver intensive training and the acquisition of excess parts from deactivating units, contributed to this trend. Accordingly, the Army is developing a new methodology, known as Operational Readiness, to reflect better the total cost of preparing a unit for war.

Operational Readiness

Operational Readiness (OPRED) is the methodology that the Army is developing to reflect more accurately the total cost of preparing a unit for war. In addition to OPTEMPO, it includes other associated costs, such as training aids, devices, simulators, ranges, land, maintenance, and force projection facilities. Already, commanders are obligating their funds in this manner. OPRED will reflect the Army's belief that describing total readiness requires more than just taking inventory of unit training funds in the OPTEMPO account. OPRED defines readiness with more rigor and establishes a framework to report readiness and resource execution.

Currently, OPTEMPO is computed from specific Battalion Level Training Models (BLTM). In the case of ground OPTEMPO, for example, the 800 miles of execution a year required for a tank in an armor battalion represents what is necessary to maintain a readiness level of C1. This number has remained relatively constant since 1987. OPTEMPO does not account for the use of simulations and other efficiencies that some units are able to achieve. In recent years OPTEMPO has been fully resourced while other readiness related programs like range operations, railroad

maintenance, and civilian pay were not. This required commanders to borrow funds from OPTEMPO accounts in order to make up shortfalls. Late reimbursements from contingency operations also contribute to underexecution.

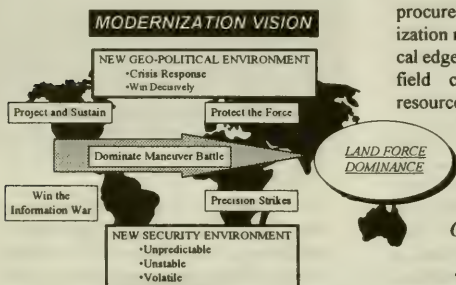
To further develop the OPRED concept, the Army is in the process of revising training strategies. The revised strategies will reflect the way units train today. The Army's Training and Doctrine Command, assisted by the Army Research Institute, is in the process of revising the training strategies for the ten most expensive battalion types. These revised strategies, referred to as Combined Arms Training Strategies (CATS), will then inform a revised BLTM. The strategy will provide the baseline for readiness reporting. The resulting Training Resource Model (TRM) also will include the cost of maintaining training facilities and other activities essential for OPRED.

Future Army Schools

Through an initiative called "Future Army Schools-21st Century," the Army is establishing a Total Army School System (TASS) with fully accredited and integrated active Army, Army Reserve, and National Guard schools. Each component is expanding its efforts to reduce duplication, share information and resources, and make the tough decisions on necessary organizational change. TASS will provide the Total Army a school house that shares the training load, uses certified instructors, meets equal accreditation standards, and teaches standard courses. Distance Learning Technology will further enhance operation of TASS and provide high quality, standardized training to soldiers and civilians. Most elements of the TASS plan are approved, and a prototype is being tested. TASS will be implemented in phases incorporating the lessons from the prototype, and it will be in use by FY98.

Modern Equipment

Modernization is the continuous process by which the Army develops and fields warfighting capabilities. The principal goal of the Army's modernization strategy is to enhance our soldiers' warfighting capabilities and their ability to survive in combat by taking advantage of our technological strengths. Modernization is essential for the Army as it prepares to enter a new century. A smaller army requires increased lethality, and obsolete equipment must be replaced. The Army's modernization plan, science and technology master plan, intelligence master plan, and logistics plan describe the future force's overall characteristics and define its parameters, critical capabilities, key technologies, and advanced concepts. The characteristics required of a power projection army — project and sustain the force, protect the force, win the information war, conduct precision strikes, and dominate the maneuver battle — are also our modernization objectives. They focus our modernization efforts.



Today's environment of constrained resources requires the Army to fundamentally change its modernization strategy. Limited modernization resources prohibit large investments at this time. We must buy a limited number of new weapons while we extend the lives and improve the capabilities of existing systems. Upgrading proven weapons by adding information technology will increase capabilities and utilization, but the Army will eventually reach the point where additional technological improvements of today's systems will provide only marginal benefits. New weapon systems and tactical truck fleets must be developed and

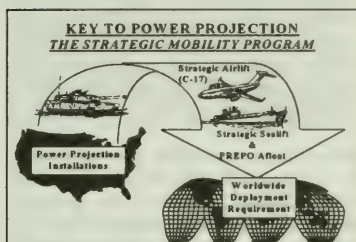
procured for the future force. The modernization necessary to maintain the technological edge that allows us to dominate the battlefield can only occur with additional resources.

The Army Modernization Objectives

The Army's modernization strategy is designed to support our doctrine, to preserve our country's technological overmatch against any potential foe, and to compensate for a smaller force structure. The strategy emphasizes integration of technology and upgrading of existing systems, and it relies on retaining our scientific and technological edge. Our five modernization objectives coincide with the essential characteristics of a lethal, versatile, power projection force.

Project and Sustain the Force. As a mostly U.S.-based, power projection force, the Army must be capable of rapidly deploying and sustaining forces. To meet future requirements, the Army is:

- setting priorities for improving power projection from its U.S. installations. These include rail and air-head upgrades and improved information infrastructure to allow split-based operations;
- improving logistical support through initiatives such as total asset visibility (discussed in Chapter 4);
- implementing logistical operations that are deployable, expandable, split-based, and include civil sector involvement;
- pre-positioning equipment (PREPO) afloat and on land;
- developing equipment that is lightweight, durable, and multipurpose; and
- adopting international commercial standards wherever possible to improve interoperability.



The Army's strategic mobility is based on a critical triad of pre-positioned unit equipment, strategic sealift, and strategic airlift. The Army has been reorganizing its war reserves and distributing them in strategic common-user stockpiles, which support multiple regional commanders-in-chief. At the end of the consolidation, the Army will have stockpiles in the United States, Europe, Korea, Southwest Asia, and pre-positioned afloat. The congressionally mandated Mobility Requirements Study directed the Army to enhance its equipment and supplies pre-positioned afloat. The pre-

positioned afloat fleet's objective size is 16 ships, which will give the United States the critical capability of delivering heavy forces early in a crisis. The Army currently has pre-positioned afloat an armor brigade set of equipment with doctrinal field artillery, combat engineer, air defense artillery, chemical, signal, logistics, and military intelligence support. Several other pre-positioning ships provide equipment which, in addition to its wartime role, could be used to aid in disaster relief and humanitarian assistance efforts.

The Mobility Requirements Study identified a requirement for 19 large medium-speed roll-on roll-off vessels to be added to the Navy's fast sealift fleet by the year 2001. Eight of these ships are dedicated to the Army pre-positioned afloat package and the remaining 11 will be strategically berthed for surge deployment of heavy forces. The Navy's acquisition efforts have this portion of the strategic sealift program well on course. Another aspect of strategic sealift is the Ready Reserve Force, which provides over half the lift needed to deploy heavy forces by sea. The Mobility Requirements Study recommended that the current inventory of 29 Ready Reserve Force roll-on roll-off ships be increased to 36. These ships are essential to ensure the availability of sufficient force in the early stages of crisis response.

The Mobility Requirements Study also validated the need to modernize our airlift capability. The Defense Department's recent decision to acquire 120 C-17s ensures that unparalleled strategic airlift capability will be available well into the 21st century. The C-17 will allow strategic access to additional airfields worldwide, will carry outsize equipment, and enable faster force closure.

Improvements in installation infrastructure include upgrading rail lines, access roads, and loading facilities, plus purchasing additional railcars and containers. Also, by

improving the information infrastructure with advanced communications, we increase total asset visibility and logistical efficiency. This allows the Army to manage distribution from factory to foxhole.

The Army's tactical wheeled vehicles and utility/cargo helicopter programs also are essential to projecting and sustaining the force. However, the Army's aging truck fleet is currently hampered by procurement reductions, and the age of utility and cargo helicopters will become a sustainment problem in the far-term without additional procurements.

Protect the Force. This objective is composed of two elements — protection against fratricide and protection from an opponent's missile and nuclear, chemical, and biological capabilities. Both require situational awareness. Future capabilities to protect ground forces include:

- Theater Missile Defense (discussed in Chapter 5);
- measures to improve situational awareness, such as improved precision navigation and combat identification systems;
- improved nuclear, biological, and chemical protection;
- extended range and enhanced precision for intelligence systems, allowing more time to synchronize battlefield actions; and
- medical survivability, such as improved TeleMedicine capabilities (discussed in Chapter 5).

Under the "protect the force" objective, the fielding of *Patriot Advanced Capability 3 (PAC-3)* and *Theater High Altitude Area Defense (THAAD)*, assisted by early warning alert from *Joint Tactical Ground Stations (JTGS)*, will provide the capability to respond to the growing theater and cruise

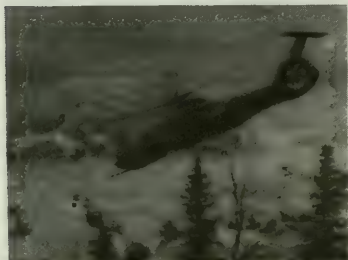
missile threat. Improvements to the *Stinger* missile and onboard launch capability from the *Bradley Stinger Fighting Vehicle - Enhanced (BSF-E)* are also required to counter this threat. Missile defense against very short range theater ballistic missiles, cruise missiles, and UAVs requires that we field the *Corps Surface-to-Air Missile (SAM)/Medium Extended Air Defense System (MEADS)*.

To reduce fratricide, commanders and soldiers must have accurate situational awareness. The Army is actively focusing information technologies to digitize the battlefield and reduce fratricide. Improved precision location and navigation, combat identification systems, and improved identification of friend or foe will contribute to enhanced situational awareness and reduced fratricide. To enhance survivability, we have developed a biological detection capability; a nuclear, biological, and chemical stand-off detection capability; and a multiagent chemical detection capability.

Win the Information War. The opportunity to affect an adversaries information systems, while defending one's own, may facilitate deep attacks and the massing of forces at critical times and places. Additionally, rapidly advancing technologies provide new opportunities for efficiently executing command and control responsibilities. Winning the information war requires:

- real time intelligence on moving targets and the capability to disseminate it;
- electromagnetic spectrum supremacy;
- access to national intelligence sources at all levels of command and interoperability with joint and multinational organizations;
- space systems that provide surveillance, communications, weather data, terrain and mapping data, and positioning and

- targeting data (See Chapter 5);
- wide-band terrestrial communications systems with seamless communication architectures;
- joint, multinational, and interagency interoperability;
- systems with enhanced electronic warfare capabilities and protection;
- systems that provide a relevant common picture to commanders at all levels; and
- security of the system from outside exploitation.



The Comanche is a key long-range modernization project.

There are several systems which will enhance our ability to win the information war. Airborne capabilities, including the *Comanche* armed reconnaissance helicopter, *Advanced Quick Fix*, the *Guardrail Common Sensor*, and *Airborne Recon Low (ARL)* provide real-time signals intelligence, imagery intelligence, moving target information, and electronic attack capabilities to assure electromagnetic spectrum supremacy. *Unmanned Aerial Vehicles (UAVs)* will assist commanders at brigade level and above in controlling their fight by providing targeting information and intelligence on the location of enemy forces. Other systems that enhance our capability to gather information rapidly include the *Joint Surveillance Target*

Attack Radar System (JSTARS) target acquisition through the *Common Ground Station (CGS)*, the *Ground Based Common Sensor (GBCS)*, and the *Ground Based Sensor (GBS)*. The Army is maintaining access to national intelligence sources by continuously improving the *Army Tactical Exploitation of National Capabilities (TENCAP)* program, which provides intelligence from national to tactical levels. The *All Source Analysis System (ASAS)* fuses information from multiple systems. Extensive use of space-based systems also contributes to winning the information war (see chapter 5). Space systems provide communications through satellite sources, surveillance capability from national assets, up-to-date weather and environmental effects data, terrain and mapping data, and precise position location using small *Global Positioning System (GPS)* receivers. Information capabilities are also enhanced by terrestrial systems, such as the *Army Data Distribution System (ADDS)*, which passes increased quantities of data and the *Secure, Mobile, Anti-jam, Reliable, Tactical Terminal (SMART-T)* multi-channel satellite terminal, that will extend the range of the Army's *Mobile Subscriber Equipment (MSE)*.

Conduct Precision Strike. To assist in accomplishing the land force mission of seizing and controlling terrain, we must have an organic capability to conduct deep attacks. Rapid, successful deep precision strikes help defeat the threat and protect the force. The 21st century land component commander must have these capabilities:

- a system that is highly responsive to the commander's immediate needs (reduced sensor to shooter time);
- the ability to control operational tempo.
- the ability to seize and retain the initiative;

- the ability to limit the opponent's freedom of action;
- the ability to dictate the terms of the close battle;
- effective day/night and all weather operational capability; and
- force protection to minimize friendly casualties.

To enable the 21st century Army to see deep, we are fielding a family of sensors. *UAVs* designed for close, short, and extended ranges will provide the warfighter with unprecedented real time situational awareness. The capabilities of *UAVs*, in concert with airborne sensor platforms such as *JSTARS*, the *Comanche* armed reconnaissance helicopter, and downlinked national assets, will provide the warfighter with the information needed to attack deep targets quickly and efficiently. Improvements in precision strike munitions will enable the Army to deliver deep fires with unequalled range and precision. The longer-range *AT-ACMS Block 1A* will be fielded in fiscal year 1998, followed in fiscal year 2001 by *AT-ACMS Block II* carrying *Brilliant Anti-Armor (BAT)* submunitions. The extended range *ATACMS Block IIA* will be fielded in fiscal year 2003.

Dominate the Maneuver Battle. Rapid, decisive victory is the essence of land force dominance. Future modifications to existing systems and the development and introduction of new platforms can provide our forces capabilities to defeat any threat. The maneuver forces of the 21st century require:

- lethal and nonlethal weapons with increased range;
- better night and all weather fighting capabilities;
- light armored packages;
- command and control on the move;

- automated threat location data;
- rapid force dispersion while massing fire; and
- digital map displays of friendly and threat force locations, routes, and control measures.



The technological advantage displayed in Operation DESERT STORM will be reduced without sustained modernization and recapitalization.

Maneuver force improvements in anti-armor range and lethality are being achieved with the fielding of the *Javelin* "fire and forget" missile and the *Tow Missile Improved Target Acquisition System*. Mounted force (*M1 Abrams* and *M2/3 Bradley*) improvements continue through digitization programs and *Second Generation Forward Looking Infrared (FLIR)* technologies for night vision. Mounted force command and control will be enhanced by the *Command and Control Vehicle (C2V)*, which we will field in small numbers. Also, the current *Maneuver Control System*, as a component of the *Army Battle Command System*, will be fielded to additional forces. To help close the modernization gap between maneuver weapon systems and counter-obstacle capabilities, we will field limited quantities of the *M1 Breacher*, the *Heavy Assault Bridge*, and the *Airborne Stand-off Minefield Detection System*.

An automated threat location capability is a key maneuver force requirement. As a result of the Army's digitization efforts (see chapter 5), fusion of data from an increasing number of better battlefield sensor suites will provide a common picture of the battlefield to maneuver force commanders. The *Comanche* armed reconnaissance helicopter, *Crusader* advanced field artillery system, and the *Long Range Advanced Scout Surveillance System* (a man-portable target acquisition device) are digital systems that will enable the massing of fires without massing forces, thus increasing both our survivability and our lethality.

Summary

The Army will spend dollars saved by cutting selected programs on developing

and improving critical systems, such as the *Comanche* armed reconnaissance helicopter, the *Crusader* artillery system, the *Abrams* tank and *Bradley Fighting Vehicle*, and the *AH-64 Apache Longbow* attack helicopter. For example, we will start the low rate initial production of the highly lethal *Longbow Hellfire Missile*, continue upgrading OH-58 helicopters to the armed *Kiowa Warrior OH-58D* configuration, and continue procurement of tactical vehicles, small arms, and ammunition.

The technological advantage displayed in Operation DESERT STORM will be reduced without sustained modernization and recapitalization. The Army is committed to supporting the warfighting combatant commands and our soldiers with modern, technologically advanced weapons.

Leader Development

The Army is committed to the long-term education and training necessary to develop the leaders of tomorrow's Army. The leadership responsibilities of Army leaders vary from leading a squad of infantry soldiers to dealing with civilian industry in the acquisition of expensive weapon systems. Proficient and professional leaders are key to the Army's success, both in peacetime activities and in combat. The development of competent, confident, and professional military and civilian leaders is our most enduring legacy to the future of the Army and the nation.

The Army's Leader Development System

The Army maintains the best leader development system in the world, and its record of success in battle and service to nation reflects that excellence. Today's leader must have skills that can be transferred quickly from peace operations to warfighting. Leaders must be capable of operating in a complex, ambiguous environment and with constant change. They must be creative and adaptive problem solvers.

The Army develops leaders through a dynamic leader development system consisting of three equally important pillars: formal education, professional experience, and self development.

Formal Education. The formal Army school system produces leaders by instilling the professional knowledge and leadership skills required in war or in other military operations. It provides the formal education and training required for the development of specific job-related skills and of basic leadership skills. Formal education is conducted

on a progressive basis to prepare the individual for positions of increasing responsibility.

Professional Experience. Professional experience complements formal schooling by providing hands-on learning and personal practice. Professional experience is the laboratory of leadership development: it provides opportunities to test theory, develop and practice personal style, and integrate the counsel of superiors, peers, and subordinates. Army leaders are responsible for providing an environment that facilitates the development of leadership abilities of all their subordinates.

Self Development. Self development is an important personal responsibility. Many of the most successful leaders of the American Army followed life-long patterns of reading, study, and analysis of history and contemporary national and international affairs. Individual initiative is key to developing every leader. Leaders can and must continue to expand their knowledge base through correspondence courses, civilian education, reading, and self-study programs.



Proficient and professional leaders are key to the Army's success.

The Army has several initiatives to continue our successful leader development program into the next century. Use of emerging information technologies, such as interactive classrooms linked to data bases around the world, will improve formal

education. Additionally, the Army is examining uses of automated and semiautomated simulations as tools for staff planning and analysis. These technologies and concepts will create open schools and centers, with information freely available to all Army leaders anywhere in the world. These initiatives will enhance all three pillars — formal education, professional education, and self development.

Reserve Component Leader Development

Leader development in the Reserve Component is based on the same three pillars of leader development. Institutional training includes resident and exportable professional development and functional courses. The training, however, is modified somewhat as a result of the unique circumstances facing Reserve Component leaders. Self development is especially important and has always been a hallmark of Reserve Component leaders.

Regional training brigades and the Ground Force Readiness Enhancement Program will increase battle focused and realistic training opportunities for the Reserve Component. Also, the Leadership Assessment Development Program will provide leaders a planned, progressive, and sequential methodology for enhancing and sustaining military competencies. The program will provide instruction for the developmental leader assessment process, identify strengths and weaknesses, and plan actions for improving performance through the Reserve Component Education System.

Civilian Leader Development

The Army of the 21st century will rely on civilians in professional, technical, and leadership positions to provide continuity of operations and expertise essential to

national defense. The Army's Civilian Training, Education and Development System (ACTEDS) supports the acquisition and training of a technically proficient, professional work force as well as the progressive development of competent, confident leaders that are critical to a high performing work force. A robust suite of basic civilian leadership training is in place that includes mandatory training at four broad levels: intern-/entry, supervisory, managerial, and executive. Civilian leader development parallels the formal training pillar of the officer leader development system and is targeted to the skills and competencies required of civilian leaders at each of the four broad levels.

Future Leader Development

Future leaders will have to be keenly aware of the world and understand the role of military force. In their professional development, they will be exposed to ideas on military art and science that go beyond traditional models. Future leaders will face

complex, difficult situations under frequently changing conditions. They will be called upon to make rapid, doctrinally sound decisions as they plan and execute missions in diverse, high-pressure operational environments. Tactical level leaders, for example, must be prepared to make decisions that have major strategic consequences under the scrutiny of the international media.

The Army's leader development initiatives will provide steady development of individuals who demonstrate potential for mastering the art of command. Institutions and commanders will train and develop leaders who are intuitive, mentally agile, innovative and disciplined. Future leaders will be trained under conditions that approximate projected operational environments. Leaders will continue to be schooled in joint and multinational operations as well as in the synchronization of all aspects of combat and noncombat operations. Future leaders will have a higher level of doctrine-based skills, knowledge, and experience to bring to a wide range of complex missions.

Conclusion

The Army's highest priority is to provide the nation with a thoroughly trained and ready force capable of executing the diverse missions required in a troubled world. When a crisis arises, the President will not ask if America's Army is ready. The President will assume, and rightly so, that the Army is ready to protect the nation's interests, wherever and whenever needed.

The Army's imperatives, properly balanced based on affordability and risk, ensure a ready and versatile force capable of delivering decisive victory. The Army's senior leadership is addressing the readiness challenge by adhering to these historically proven imperatives. Maintaining a ready force, however, requires a joint effort from the Army, the Executive Branch, and Congress. Stability in personnel, quality of life, installations, and funding are essential to maintaining a trained and ready force. The next chapter will address the Army's stability challenge.

"We must ensure endstrength and fiscal stability, suitable force structure to meet readiness requirements, and implementation of the Army vision for Force XXI."

**Secretary of the Army,
Togo D. West, Jr.**

"In the midst of an era of change and turbulence, we must not lose sight of the continuity and stability required to preserve our long-term readiness."

General Dennis J. Reimer

3. THE STABILITY CHALLENGE

Gaining stability in the force is the second challenge confronting America's Army. When the Cold War ended, we planned changes and anticipated some turbulence due to changed missions, the personnel drawdown, base closures and base realignments. But since 1989, we have experienced a 300 percent increase in operational deployments. These unanticipated operational commitments have further increased instability. To execute expanded missions while maintaining readiness and forging an Army for the 21st century, the Army must have a level of stability in personnel, quality of life, installations, and funding.

The Secretary of Defense approved and the Chairman of the Joint Chiefs of Staff published a new National Military Strategy in February 1995. This new strategy reflects the need to promote stability and thwart aggression in an unpredictable world. The Army contributes substantially to this strategy: the majority of the nation's personnel commitment to operations as diverse as counterdrug operations, noncombatant evacuation operations, nation assistance, and humanitarian and disaster relief is conducted

by the Army. The Army has successfully met these increased operational commitments and simultaneously maintained readiness.

The Army has adjusted to the new world of danger and uncertainty, a world in which soldiers are the nation's most relevant national security asset. It developed a vision for transitioning to the 21st century. Stability is necessary to help us achieve that vision.

Personnel

Without question, the Army's most important resource is its people. The Army is people. Maintaining the quality of the force is one of the Army's highest priorities and challenges. Our increased operational commitments and reduced force structure have combined to place a burden on the young men and women serving the nation as soldiers. Soldiers in operational units are deployed away from home station and family for 138 days a year, on average. In order to continue attracting and retaining the quality people so vital to the nation's Army, we must stabilize the force by easing personnel turbulence and maintaining sufficient force structure.

Drawdown Status

The Army began its personnel drawdown in fiscal year 1989.

- The Army's Active Component strength at the end of fiscal year 1995 was

508,559 — a decrease of 262,000. The force will stabilize at 495,000 in fiscal year 1996.

- The Army's civilian strength at the end of fiscal year 1995 was 269,673 — a

decrease of 133,000. The civilian work force will stabilize at 233,341 in fiscal year 2001.

- The Army Reserve (Selected Reserve) strength at the end of fiscal year 1995 was 242,000 — a decrease of 111,000. It will stabilize at 208,000 in fiscal year 1998.
- National Guard strength at the end of fiscal year 1995 was 387,000 — a decrease of 90,000. The Guard will stabilize at 367,000 in fiscal year 1998.

Throughout the drawdown, we have been committed to caring for our transitioning soldiers, civilian employees, and family members. Because most of the drawdown is now complete, we can begin to stabilize the force.

Drawdown Tools. The Army used the tools Congress provided to assist in military personnel reductions. The Voluntary Separation Incentive (VSI) and the Special Separation Benefit (SSB), authorized by Congress in 1992, allowed the Army to target soldiers in overstrength military occupational specialties and overstrength year groups. Both programs will continue for the duration of the drawdown but will no longer target overstrength year groups.

In 1993, Congress also provided the Temporary Early Retirement Authority (TERA) as another drawdown tool. This measure allows the Army to offer early retirement to certain soldiers who have at least 15, but not yet 20, years of service. Early retirement is not an entitlement, and the Army offers it only to selected soldiers in excess grades and skills. The Army intends to continue using TERA through fiscal year 1999, primarily for officers in excess skill areas not selected for promotion, and for sergeants with over 18 years of service who have been barred from

reenlistment or who have declined continued service.

Tools used to achieve civilian drawdown goals include functional transfers to agencies outside the Army, release of nonessential temporary employees, managed hire freezes, the Voluntary Separation Incentive Pay (VSIP) program, and the Voluntary Early Retirement Authority (VERA). Involuntary separation procedures are used only as a last resort. The Army is dedicated to reducing its civilian strength commensurate with reduced funding. Our prime considerations are to protect the welfare of our civilian employees and to minimize adverse impact on organizations.

Transition Assistance. A vital part of reducing the Army in a caring manner is assisting the transition of departing personnel in every way possible. The Army Career and Alumni Program (ACAP) is a comprehensive program that provides a broad spectrum of transition services. ACAP has assisted more than 500,000 individuals worldwide in transitioning to the civilian sector. The program provides valuable information and services, including benefits counseling and job search assistance.

Providing high quality, comprehensive transition services has proven highly beneficial to the Army. An independent evaluation found that 83 percent of those who completed the job assistance program would recommend the military as a career. Additionally, the Army has dramatically reduced its unemployment insurance costs over 35 percent as a result of job assistance provided to transitioning soldiers. Soldiers benefit greatly from the program as well. For example, studies show that an E6 or below, with less than a Bachelors Degree, who completes the assistance program will earn an average of \$7,300 more per year in starting salary than those not receiving the services.

Additionally, Army retirement services officers provide group and individual pre-retirement counseling on retirement entitlements and benefits, and the Survivor Benefit Plan (SBP). Retirement services officers assist soldiers in making a smooth transition from active duty to retirement, provide support to retirees, and provide a vital communication link between the active force and retired soldiers.

Effects of the Drawdown and an Unstable World

The effects of a massive, planned drawdown in personnel, coupled with a changed national security environment has placed a great burden on soldiers. Nevertheless, they continually surpass our expectations and make us proud of their dedication, vigor, and flexibility in the face of these and other challenges.

Changes in force structure and reductions in infrastructure have caused turbulence in the ranks. For instance, personnel reductions have led to shortened tour lengths which, in turn, mean that soldiers and their families have to move more frequently. Tour lengths are again increasing; however, during the height of the drawdown, soldiers stationed in Europe served an average tour of only 28 or 29 months. Similarly, tour lengths in Korea and the United States also declined. Several policies and laws influenced this trend. Our distribution policy, for example, directs that contingency forces be provided resources at a higher priority than other units. As soldiers leave those high-priority units by accepting drawdown incentives, vacancies must be filled. Soldiers moving for military education and professional development also leave vacancies. Congressionally mandated requirements, such as Title XI and base realignment and closures create others.

In today's changed world, our Army is

operating at an unprecedented pace. The average number of soldiers deployed away from home station on any given day in 1995 — in addition to those 125,000 already forward based — was 21,500. The participation of approximately 30,000 soldiers in support of Operation JOINT ENDEAVOR in Bosnia will exacerbate these trends.

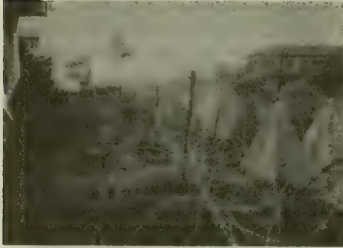


The Army is operating at an unprecedented pace.

The Bottom Line

The Army's operational pace demonstrates our increasing involvement in and total commitment to defending U.S. national interests around the world. While busier than ever, America's soldiers remain motivated and dedicated. They are versatile enough to succeed in any environment. They are truly America's greatest resource. Still, our soldiers are continually being asked to do

more with less. Because stability is essential to attracting and retaining high quality soldiers, we must stabilize our personnel reductions and maintain a sufficient force structure.



To execute assigned missions, the Army must remain of sufficient size, strength, and capability.

America's Army is the world's best Army largely because what we lack in quantity — numbers of soldiers — we make up in the high quality of those soldiers. No amount of training or technologically superior equipment, however, will suffice if we do not have enough soldiers to accomplish our missions. Numbers do matter. For every unit deployed on an operational commitment, one is preparing to deploy to the area of operations and one is refitting and retraining after completing service and redeployment. To continue executing our missions in the high quality manner expected by the American people, we must have an Army of sufficient size, strength, and capability. The quality of the Army is unquestioned, however, we are concerned that we may have reached the limit on how small the Army can be and still credibly accomplish assigned missions.

Quality of Life

A decent quality of life is another important factor in ensuring we attract and retain quality soldiers in America's Army. Quality of life, more than any other single factor, influences a soldier's decision to reenlist or leave the Army. Therefore, focusing on issues important to the men and women who serve the nation is essential to gaining stability in the ranks. The quality of life of family members also is important. Sixty-five percent of the Army's soldiers are married. Soldiers and their families are concerned about adequate pay, housing, retirement benefits, and health care. Quality of life issues unique to Guard and Reserve soldiers include re-employment rights, continuation of salary and benefits on mobilization, and getting time off from work for training.

Health Care

Medical care is one of the most valuable benefits of life in the service. The draw-down, base closings and realignment, and the reduction in Army medical resources has constrained access to medical care for all beneficiaries. The resulting increase in

uncompensated out-of-pocket health care expenses contributes to the widespread perception that this benefit is eroding.

The Army medical system is an efficient, cost-effective system that provides care to beneficiaries in peacetime — care that contributes to medical and soldier readiness. Health care providers manning peacetime

medical treatment facilities are the same personnel who fill deployable medical units. This dual-hatting of health care personnel requires decentralized command and control with maximum command flexibility in order to maintain readiness and meet the requirement for rapid power projection. The Army, in concert with the other services, is focused on implementing a cost-effective health care system that provides beneficiaries with choices, provides a standard health care benefit, addresses the needs of soldiers and their families in remote locations, and supports the overarching readiness mission. We have developed TRICARE, a managed care program, to achieve all these objectives.



Medical care is one of the most valuable benefits of life in the service.

TRICARE. TRICARE is DoD's regionally managed care program for members of the uniformed services, retirees, and their families. TRICARE brings together the health care delivery systems of each of the Services and the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) in order to serve beneficiaries better and make more efficient use of the resources available to military medicine. The military services cooperate in the implementation of TRICARE. Across the United States, twelve regions have been formed, each administered

by a service as Lead Agent. The Army is the Lead Agent in five regions. The managed care support contracts that supplement the capabilities of regional military health care delivery networks are the defining characteristic of TRICARE. There are to be a total of seven fixed-price, at-risk contracts supporting the twelve regions. Each will be competitively awarded before the end of fiscal year 1996.

Another important element of TRICARE, which is not visible to the patient population, is the new method of funding military medical facilities. The Services will receive resources based upon the population they serve. They will, in turn, allocate funds to their medical facilities on a similar basis. This methodology is designed to motivate military medical managers to provide cost-effective, appropriate, and timely patient care.

As we implement TRICARE, we must also protect access for beneficiaries covered by Medicare. We continue to seek demonstration authority to offer TRICARE participation through coordination with the Health Care Finance Administration (HCFA) to our eligible beneficiaries.

Army Continuing Education System

Research indicates that in-service and post-service educational benefits continue to be the top two reasons young men and women enlist in the Army. The Army Continuing Education System (ACES) provides soldiers with personal and professional self development opportunities. Education programs target many levels of need. The ACES is focused on soldiers but also is available to Department of the Army Civilians and adult family members. It represents a primary quality of life program.

Housing

Our soldiers and their families deserve decent living conditions. The Army is strongly committed to providing sufficient resources for revitalization, construction, and maintenance of facilities. This year, we will begin to build, revitalize, or replace 750 family housing units and 3000 barracks rooms. We are focusing our efforts on investing in essential, high-payoff facilities. Two current programs illustrate this approach.



Soldiers and families deserve decent living conditions.

The Whole Barracks Renewal Program. The goal of the Whole Barracks Renewal Program (WBRP) is to transform existing barracks into single soldier communities. It provides funds for constructing and modernizing barracks in the continental United States (CONUS) and represents a long-term commitment by the Army to improving the living conditions of single soldiers. Today, many of our soldiers live in barracks 30 to 40 years old. These barracks were designed to the austere standards of a conscript Army and now need to be modernized. The Whole Barracks Renewal Program requires a 17-year investment of at least \$5 billion to bring barracks to the design standard agreed upon by all the services. This standard allows each soldier to have a net living area of 118 square feet.

The Army's goal is to fund this program at \$250 million per year over the next six years to meet the Army's most critical barracks construction and renovation requirements. Upon completion of the most critical barracks requirements, the Army will program construction and maintenance dollars as necessary to continue to improve soldier living conditions.

The Whole Neighborhood Revitalization Program. The Whole Neighborhood Revitalization Program provides a systematic upgrade, repair, or replacement of Army family housing. A large portion of the Army's family quarters are 35 to 40 years old, in poor condition, and in need of revitalization. Our goal is to renovate family quarters on a 35-year cycle, while reducing recurring maintenance, energy consumption, and inconvenience to occupants.

The Army's goals are to have high quality housing in the quantities needed and to meet annual, recurring requirements in maintenance and repair. We must meet these goals in order to gain stability in quality of life for soldiers and families and to avoid increased long-term costs for replacing soldier and family housing. However, decreased funding limits the Army's ability to maintain even current standards.

The Family and the Community

The mission of the Army Communities of Excellence (ACOE) Program is to provide excellence in customer service and facilities which, in turn, contributes significantly to improving quality of life and overall readiness. ACOE improves the quality of community services with customer service, commitment to courtesy, and promptness in delivery. It promotes activities such as self-help projects designed to keep well furnished and well maintained facilities.

To spur performance, the program uses

evaluations and awards. Army communities compete by using the world-class Malcolm Baldrige National Quality Award criteria, and winners receive cash incentives. Through education and publicity, ACOE also rapidly spreads good ideas for promoting excellence throughout the Army.

By fostering overall community excellence, ACOE makes a direct contribution to Army readiness. Moreover, ACOE fosters pride in the profession and the community that will sustain each soldier, civilian employee, and family member through the most demanding of times.

The ACOE program is neither burdensome nor costly; it works because it taps the boundless reservoir of energy, enthusiasm, and ingenuity of all community members. ACOE makes an unambiguous, cost-effective contribution to quality of life. This program is essential to enhancing the stability of Army facilities and services.

Just as ACOE contributes to readiness, families are also key to the Army mission. Family members can strongly influence a soldier's decision to remain in the service. Army families endure the hardships of operational deployments, long separations, and frequent moves. They must be cared for in a high quality manner.

The Army Family Action Plan (AFAP) provides a process by which the Army can monitor and improve quality of life for all members of the Army community. This program is a vehicle through which members of the Army community express their concerns. It is a "town hall" process, the only one among the services, that identifies and resolves issues of concern to soldiers, Army civilians, retirees, and family members through symposia held at installation, major command, and Department of the Army level. AFAP issues reflect the stresses faced in Army units and communities and serve as a sensing tool for the Army leadership by

identifying and validating factors that impact on readiness and retention.

For instance, the Army Family Team Building Program is the result of an AFAP initiative. It is a training program designed to teach and promote personal and family readiness. The program educates soldiers, families, and civilians about the Army lifestyle, explains their personal responsibilities in meeting the associated challenges, and helps families deal with problem frequently encountered during deployments.

Morale, Welfare, and Recreation

Morale, Welfare, and Recreation (MWR) programs are a vital element of quality of life for soldiers and their families. MWR programs directly support readiness by providing a variety of community, soldier, and family activities such as social, fitness, recreational, and educational programs. These activities enhance community life and provide an environment that attracts and retains quality people. The MWR strategic plan, unveiled in 1994, established goals for corporate leadership, human resources, financial management, facilities, and support services. It also laid out guiding principles for returning nonappropriated funds to the Army through the provision of market-driven services, activities, and capital improvements.



Morale, Welfare, and Recreation Programs are a vital element of quality of life.

The Army Safety Program

Providing a safe environment for our soldiers and their families to work and live in is a high priority for the Army leadership. Having peace of mind is key to maintaining a high quality of life. The safety mission seeks to minimize accidental losses of human and materiel resources. The Army provides commanders mission-oriented policies, procedures, and standards. Our accident prevention programs integrate safety and risk management into operations, training, and materiel acquisition.

As we prepare for the 21st century, the Army is developing many new programs for enhancing safety. The Army is aggressively integrating risk management into all its activities and is incorporating safety standards into training exercises to demonstrate to soldiers and leaders that unsafe operations

can render a unit ineffective before the battle even begins. This practice reinforces the concept of "train as we fight"

Summary

Well managed quality of life programs for soldiers, civilian employees, and their families are critical to ensuring that we will continue to attract and retain the quality people necessary for a quality Army. A stable and predictable lifestyle, comparable to that found in civilian life, is directly linked to successful mission accomplishment. The Army has initiated improvements and enhancements to many of its quality of life programs, but constrained resources will force some tough decisions. The Army will consider the impact of every decision on soldiers and their families.

Installations

Installations are undergoing significant changes in order to support our Army successfully today and in the future. Base realignments and closures, the return of some of our forces from overseas, and the transition to power projection bases have taxed installations' efforts to meet training, facility, and support requirements. The Army is converting our installations into power projection bases capable of moving and sustaining a force anywhere in the world. Those same installations must continue to provide an adequate living and working environment for our quality people.

The Army's comprehensive strategy for transforming Army installations is described in detail in *Installations: a Strategy for the 21st Century*. The publication is a guide for the conversion of Army installations into power projection platforms that also provide the quality of life that our soldiers, families, and civilian employees deserve. Under the strategy, the Army has established numerous programs to improve efficiency and capability, while we gain stability in our installations.

Power Projection Installations

In order to project and sustain a power projection army, we need world-class power projection platforms. Installations support

and facilitate virtually every deployment. Strategic mobility requires modern rail systems, airfield and port deployment

operations, and installation storage facilities. Installations must meet tough requirements to ensure strategic agility and sustainment for our forces.

By converting our installations to power projection platforms, we can directly link deployed forces to the installations that provide sustaining supplies by way of seamless communications and information management networks. The Army has identified and set priorities for infrastructure improvements at 21 key installations and depots throughout the nation. Improvements include upgrades to telecommunications, rail lines and airfields, as well as enhancements in warehousing and deployment facilities. The Army is also purchasing 16,000 containers and over 1,000 rail cars to improve our deployment capabilities.



Installations support and facilitate virtually every deployment.

Installation Management Action Plan

The Installation Management Action Plan (IMAP) is the tool the Army uses to meet its installation challenges head-on. The objective of this plan is to improve installation management by promoting a consistent approach to long-range planning and by

implementing initiatives covering eight installation management goals:

- reshaping installations into power projection platforms;
- enhancing quality of life;
- totally integrating environmental stewardship into installation operations;
- establishing and resourcing an installation investment plan;
- redesigning installation business processes;
- achieving community, interservice, and interagency partnerships;
- attaining resource management flexibility; and
- transforming the Army's human resource programs.

The Installation Management Action Plan establishes a framework for installation management planning and clarifies the impact of key initiatives. It recommends broad policy changes to enhance efficiency and improve the commander's ability to plan, program, and budget. It also assists installation commanders in making plans for the future and fosters communication between major commands and installations. The plan identifies how installations will achieve long-range Army installation management goals and provides a documented source of information on installation management resource requirements.

The Installation Status Report

The Installation Status Report (ISR) is a decision support system designed to improve management and decision-making for Army installations. As the Army reshapes its installations into power projection platforms, the Installation Status Report

is a means to measure the strengths and weaknesses of every installation. It is a mechanism designed to provide commanders and the Department of the Army leaders with an assessment of installation infrastructure, environment, and services. It gives managers an objective means to compare conditions across installations and across functional areas. Each installation will submit a status report annually.

Base Realignment and Closure (BRAC)

Most installations have been affected in one way or another by BRAC, either by being considered as a BRAC candidate or by receiving functions from closing and realigning sites. Closure and realignment have been a major part of the Army's reshaping efforts during the past decade. The years ahead promise a more stable and predictable environment as the Army looks toward the future.

During 1995, the Army reached an important milestone for the BRAC program, closing the last of the installations scheduled for closure by the Defense Secretary's Commission of 1988. The past year also witnessed approval of the final list of installations to be closed or realigned under the BRAC Act of 1990 and the conclusion of an arduous but extraordinarily successful process designed to reshape Defense infrastructure. The approval of most of the Army's recommendations by the BRAC commission in 1995 was important because this was the last downsizing opportunity for the foreseeable future.

The Army is continuing efforts to accelerate all BRAC actions from previous rounds in order to obtain savings as quickly as feasible. Four of the five closures

approved by the 1991 Commission have already occurred: Fort Ord, California; Sacramento Army Depot, California; Fort Benjamin Harrison, Indiana; and the Woodbridge Research Facility in Virginia. In 1996, Fort Devens, Massachusetts will close one year ahead of schedule and in 1997, Vint Hill Farms Station, Virginia, will close two years ahead of schedule.

On Labor Day, President Clinton attended the dedication ceremony for California State University at Monterey Bay on former Fort Ord, citing it as a model for base conversion. Sacramento Army depot is another example of how the Army and the local community have worked together to create an environment for economic recovery: Packard Bell now employs over 5,000 people there, about 2,000 more than the Army did. More successes will follow.

In 1995, the Army began to work aggressively to initiate the 29 closures and 11 realignments recommended by the 1995 Commission. In accordance with the President's Five-Part Plan for Revitalizing Base Closure Communities, the Army will work with local communities to expedite the reuse of the installations being closed.

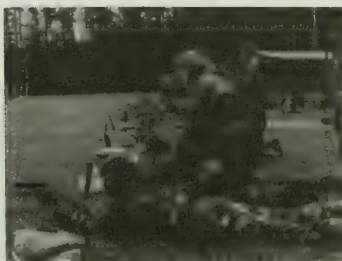
Although overseas closures do not receive the same publicity as those in the United States, they are extensive and represent the Army's fundamental strategic shift from a forward-deployed force to an overseas presence and power projection force. We are closing seven of every ten overseas sites — from Europe to Korea to Panama.

These necessary base closures and realignments cause short-term turbulence but, in the long-term, result in a more efficient infrastructure and, ultimately, in stability throughout the Army. BRAC enables the Army to move into the 21st century unburdened by excess infrastructure and without having to take scarce dollars from readiness

and modernization programs to maintain unneeded installations.

Base Operations

Base operations are those activities that keep Army installations functioning. They are essential to maintaining an acceptable quality of life and developing power projection platforms. Base operations also affect readiness in areas such as maintenance of ranges and training areas, food service and supply operations, and installation-level maintenance for deployable units. Continuously underfunding base operations accounts adversely affects Army installations. Installation commanders, at times, must divert funds from operational tempo and training to pay for essential services.



Underfunding base operations accounts adversely affects the maintenance of ranges and training areas, food service and supply operations, and installation-level maintenance.

Backlog of Maintenance and Repair (BMAR) is the Army's end-of-year estimate of important projects not accomplished due to funding shortfalls. This measure is expected to rise to an unprecedented level of

\$5.1 billion by the end of fiscal year 1997. Deferring these projects can become costly. If the backlog continues, facilities will continue to deteriorate and be more costly to repair or replace.

Utilities

Installations require reliable, energy efficient, and environmentally safe utilities. Years of underfunding utility accounts, coupled with more stringent environmental requirements, have resulted in an Army-wide utilities modernization requirement of \$3.2 billion.

The Army Utilities Strategy is a three-pronged plan for bringing the utilities infrastructure into the next century. Through a privatization program, ownership of utility systems will be transferred to certified municipal, county, regional, or private investor-owned utility companies. These companies will be responsible for renovation, upgrade, operations and maintenance. Installations will become utility service customers able to negotiate terms and conditions. The Army plans to divest itself of at least 75 percent of all utilities by the year 2000.

Through a combination of education, new technologies, industry participation, and command support, the Army has reduced facilities-related energy consumption by 15 percent since 1985. One innovative energy-saving project — known as Energy Savings Performance Contracting (ESPC) — leverages a private contractor's capability to evaluate, design, finance, procure, install, operate, and maintain energy-saving equipment that serves an installation's energy needs, while receiving compensation based on performance and dollar savings.

Funding

In order to plan for the future, the Army needs stability in its budget. From fiscal year 1989 to fiscal year 1995, the Army's total obligation authority has declined 33 percent. The Army's share of the Department of Defense budget averaged 26.3 percent between fiscal years 1989 and 1996. It decreases to an average of 23.6 percent between fiscal years 1997 through 2001. Scarce modernization resources is one of the Army's toughest challenges, and we continue to search for ways to overcome our modernization shortfalls. The Army must modernize in order to maintain the technological edge that allows us to dominate the battlefield. Sustaining a high quality force within the Army's current dollar constraints will require difficult choices between operational readiness today and needed investment in modernization and readiness for the future.

Impact of Contingency Operations

Funding contingency operations remains a problem. Historically, they have been funded from third and fourth quarter Operations and Maintenance, Army (OMA) accounts, hoping for congressional supplemental appropriations later. This takes dollars from readiness activities and prevents the Army from performing the unresourced missions unless reimbursed. In fiscal year 1994, contingency operations that developed during the last two quarters without supplemental appropriations resulted in degraded readiness ratings for three of the Army's combat divisions.

If current trends continue, the Army can expect to pay between \$400 million and \$1 billion for contingency operations in fiscal year 1997. Exacerbating the problem is the current moratorium on reimbursement for goods and services by the United Nations (UN) for peacekeeping operations. The UN is currently \$51.9 million in arrears to the Army for support provided on a reimbursable basis, most of which will never return to Army coffers.

Several proposals have been presented to Congress requesting a special contingency

operations fund or a readiness preservation account. The Army will continue to work with Congress to find a better funding mechanism to ensure training funds are not continually diverted to fund contingencies at the expense of readiness.

FY 96 Budget Overview

The fiscal year 1996 budget for the Army provided a total obligation authority (TOA) of \$63 billion. It supports the planned endstrength of 495,000 soldiers. The budget maintains near-term readiness by funding air and ground operating tempo (OPTEMPO) and the high quality training at the Combat Training Centers in order to protect the vital training foundation upon which our readiness is firmly based.

The FY96 Research Development and Acquisition account is budgeted for \$12.2 billion dollars, a decrease of 39 percent since FY89. Limited modernization resources prohibited any large investments. The Army's modernization strategy focuses on long-term technology that creates overmatch capabilities against any potential threat. We do not want to enter the 21st century with outdated technology. The Army's modern-

ization objectives give us focus and direction for our scarce resources while we maintain core programs. With scarce modernization dollars, we will fund only the most critical modernization programs. We will buy a limited number of new weapons, extend the lives and improve the capabilities of selected existing systems, and terminate procurement and support funding to programs that provide only marginal improvements in warfighting or sustainability. Even by upgrading proven weapons with information technology, however, the Army will eventually reach the point where additional technological improvements of today's systems will provide only marginal benefits. Likewise, the cost of maintaining aging equipment will become prohibitive. New, replacement weapon systems and equipment must be developed for the future force.

FY 97 Budget Overview

The FY97 Army Budget Submission totals \$60.1 billion. The Army's buying power for this fiscal year, converted to FY97 constant dollars, is \$4.3 billion lower than FY95 and \$1 billion lower than FY96. The following chart reflects appropriation trends by major spending categories.

Army Total Obligation Authority Summary (CURRENT DOLLARS IN BILLIONS)

APPN	FY95	FY96	FY97
Military Personnel	\$26.1	\$25.3	\$25.9
Operation & Maintenance	21.3	19.4	21.4
Procurement	6.8	7.9	6.3
Research, Development, Test & Evaluation	5.5	4.8	4.3
Military Construction	.8	.8	.5
Army Family Housing	1.2	1.5	1.3
Environmental Restoration*	-	-	.4
Total	\$61.7**	\$59.7**	\$60.1***
Supplementals & Transfers	2.3	3.3	

* Becomes a service appropriation in FY 97

** Appropriated by Congress (excludes subsequent supplementals and transfers)

*** Army's President's Budget Submission

The FY97 Army Budget Submission adequately supports near-term readiness. Operating tempo (OPTEMPO) is fully funded in both the ground and flying hour programs. However, long-term readiness continues to be underfunded, particularly in the following modernization areas:

- purchase of modernized ammunition,
- reduction of ammunition demilitarization backlog,
- elimination of ammunition War Reserve drawdown,
- completion of first *Family of Wheeled Tactical Vehicle* multi-year program,
- funding of heavy trucks and small arms multi-year procurement,
- continuation of UH-60L procurement,
- funding of force sustainment modernization,
- small arms,
- long haul communications, and
- acceleration of key warfighting systems.

If resources continue to decline and modernization remains underfunded, the Army's long-term readiness and the quality of the future force may be at risk.

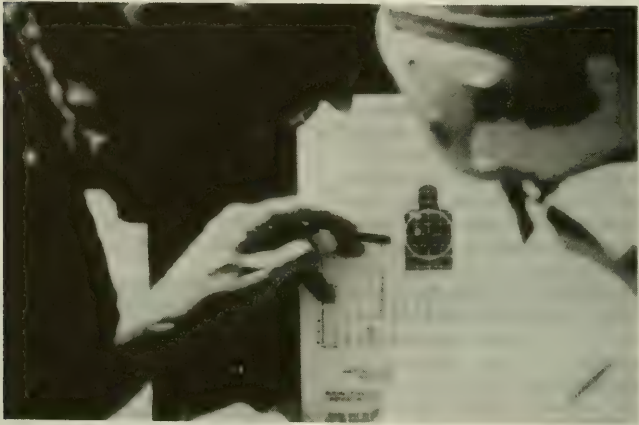


Constraints on resources devoted to defense make it more challenging to balance operational requirements, readiness, modernization, and quality of life.

Conclusion

Constrained resources constitute the Army's toughest challenge. Resources affect virtually every aspect of Army operations — the number of quality people serving, the pace of training, the maintenance of equipment and infrastructure, and the amount of modernization. The Army recognizes that resources are in demand throughout government and that they must be used wisely. Constrained resources force tough choices. We have succeeded thus far in remaining trained and ready, but to continue to do so with a high degree of assurance requires stability in resources. America's Army must be of sufficient quality, capability and size to deter potential adversaries and meet our operational commitments.

Internally, the Army must do its part to ensure the most efficient use of scarce resources. We are emphasizing financial stewardship at every level and developing an Army-wide efficiency strategy. The next chapter will present our efficiency challenge.



We have succeeded thus far in remaining trained and ready, but to continue to do so with a high degree of assurance requires a level of stability in resources.

4. THE EFFICIENCY CHALLENGE

Becoming more efficient is the third major challenge confronting America's Army. By becoming efficient, the Army intends to garner savings to help ensure it can maintain a force structure commensurate with operational commitments, to increase investment in essential modernization programs, and to increase spending in our vital quality of life programs.

By taking advantage of technological advances, streamlining our processes, and reorganizing our institutions the Army can gain significant savings and improve effectiveness and efficiency. In this era of constrained resources, the Army is emphasizing financial stewardship at every level. We must demonstrate that we are good stewards of the nation's resources and of the taxpayers' investment in us. The Army is aggressively seeking to maximize scarce resources by fundamentally changing our operating practices. Just as private busi-

nesses have become more efficient by modifying internal operations, the Army is reexamining every aspect of its operations and activities. We are exploring all reasonable avenues to provide commanders with opportunities to avoid costs and to generate savings. We are reviewing our business practices, revising our policies, and proposing legislative changes. Motivated by the National Performance Review, we are already implementing new policies designed to make government work better and cost less.

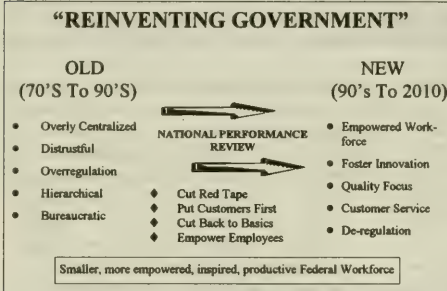
Governmental Initiatives

The National Performance Review

In the spring of 1995, the National Performance Review entered its third year by continuing toward its goal of a more efficient, effective, and productive government. This review — designed to make government work better and cost less — challenges the Army to shift from rules to results, to insist on customer satisfaction, to decentralize authority, and to focus on core missions. We continue to work directly with the Department of Defense and other Federal agencies to address specific cost-cutting initiatives, such as streamlining our work force, improving customer service, implementing acquisition reform, and reducing regulations. All major Army commands are working on reengineering and redesign initiatives that will institutionalize a high

quality approach to managing organizational change. One provision of the National Performance Review charters reinvention laboratories. This process allows agencies to test new ways of doing business. Reinvention labs demonstrate the immediate benefits of freedom from red tape and provide incentives to operate more efficiently. In the last year, the Army intensified its efforts in this area by increasing the number of Reinvention Labs. Even more significant, the Army created the only two Reinvention Centers within the Defense Department (one each at Training and Doctrine Command and Forces Command). This designation provides broad powers to the commanders of those organizations to establish their own reinvention labs, to waive regulations in support of rein-

vention, and to coordinate directly with the Department of Defense regarding legislative changes necessary to support reinvention. Clearly, Reinvention Centers will expedite the reform process.



Waivers of existing regulations and instructions to support better business practices are another important tool in the Army's efforts to implement measures associated with the National Performance Review. In August 1994, the Army implemented a new policy to waive restrictive Army regulations that impede good business practices. In order to conserve and focus resources for America's 21st century Army, we must continue to generate, test and implement efficient business practices.

The Chief Financial Officers Act of 1990

The Chief Financial Officers Act of 1990 introduced a new era of financial management reform and represented a significant shift from appropriation-based management to private industry standards. A significant provision of this act requires audited annual financial statements for revolving funds, trust funds, and substantially commercial functions. The Army, as one of only ten federal agencies designated a pilot under this law has

prepared audited annual financial statements covering *all* Army funds since fiscal year 1991. The Government Management Reform Act of 1994 expands the requirement for agency-wide financial statements to all agencies covered by the CFO Act, beginning in fiscal year 1996.

The Army set the standard for financial management reform within the Defense Department and continues to implement the Chief Financial Officers Act aggressively. Successful Army-led initiatives include revised policies on physical inventory, the valuation of assets, the incorporation of outcome-oriented performance measures, and restructuring of the management control process.

The Government Performance and Results Act of 1993

The Government Performance and Results Act is a major step in the inevitable transition to results-oriented program management and performance budgeting. This act builds on the legislative mandate to measure performance and to manage functional programs with accurate financial data that began with the Chief Financial Officers Act. The purpose of the Government Performance and Results Act is to improve program effectiveness and aid congressional decision making by systematically holding federal agencies accountable for program results. The law requires strategic plans and annual performance plans beginning in fiscal year 1997.

The Act also requires a series of pilot projects. The first, known as Performance Measurement, tests the costs and benefits of strategic planning, performance-based planning, and performance measurement. Of the

approximately 70 pilot projects, three are in the Army: the U.S. Army Research Laboratory, U.S. Corps of Engineers Civil Works

National Operation and Maintenance Program, and the U.S. Army Audit Agency.

Becoming More Efficient

The Army is developing an Army-wide efficiency strategy to generate revenues for reinvestment. We will use industry efforts as examples for the Army's business operations. We are reviewing all of our processes, programs, and organizations. We have established a senior-level Efficiency Working Group, initiated several cost-saving initiatives, and have embedded within the organization a management philosophy known as Total Army Quality.

Redesigning the Institutional Army

The Army is also becoming more efficient by fundamentally redesigning and reengineering its institutional forces — the infrastructure that supports the Army's functions under Title 10 of the U.S. Code. This effort, which is part of the Force XXI process and is linked to the national military strategy and the Commission on Roles and Missions, will eliminate unnecessary layering of functions and headquarters. We are conducting top-to-bottom assessments of the institutional processes in all functional areas. We will reduce the number of major Army commands, divest the Army of those functions that are not absolutely essential, and reallocate resources to support our core capabilities.

At the same time, we are conducting comprehensive reviews of all our headquarters field operating and staff support agencies. Each will be rigorously scrutinized, and we will consider eliminating, consolidating or transferring out as many as possible. We expect to reduce significantly the number of headquarters agencies, and we will explore every opportunity to privatize or out-source a number of administrative support functions.

In support of the redesign effort, we have initiated some ancillary reviews to

identify cost saving initiatives both across the Army and specifically in the acquisition and modernization processes. These initiatives will increase efficiency and effectiveness.

Efficiency Working Group

Another way in which the Army is developing ways to garner savings is through a recently established senior-level Efficiency Working Group. During the Program Objective Memorandum (POM) 97-01 update, it became evident that the Army could not sustain essential modernization, improve quality of life, and maintain an endstrength of 495,000 active duty personnel while conducting business as usual. Accordingly, the Army began earnestly reviewing policies and procedures to identify potential efficiencies. The Army's goal is to generate significant savings each year by driving down the cost of doing business, husbanding constrained resources, reengineering the Army throughout the breadth and depth of the organization, and continuing to adopt sound business practices.

The Army Chief of Staff charged the Deputy Chief of Staff for Operations and Plans with carrying out this efficiency review. He established a senior-level review group to identify specific, quantifiable areas from which to garner savings. The Army

Audit Agency and the Cost and Economic Analysis Center are reviewing and validating proposals developed by the working group. After approval by senior leaders, the Army will implement worthy initiatives.

Total Army Quality

In 1992, the Army adopted a new management philosophy: Total Army Quality. This philosophy is now well established in all major Army commands. This fundamental cultural change will produce organizations capable of anticipating and leading change rather than simply responding to it. Our new quality-conscious culture will be characterized by the following:

- Senior-level leadership and guidance — manifested in organizational visions, mission statements, and definitions of core competencies and processes.
- Customer focus — all of our organizations will focus on their customers and fully understand the customers' requirements and needs.
- Empowered employees — because no one can better improve the processes than those who work within them every day.

- Continuous improvement — every unit must be capable of continuous improvement.

Recently, three Army organizations were recognized in the 1995 President's Quality Award Program. The Army dominated the awards by having three of the best five organizations in the Federal sector. All three are part of the Army Materiel Command: the Red River Army Depot and the Armament Research, Development and Engineering Center both won in the Quality Improvement Prototype category, and the Tank-Automotive Research, Development and Engineering Center won in the Presidential Category. In order to win, organizations must prove that they have made world-class improvements in efficiency and cost effectiveness.

We will not rest on our laurels. In an effort to accelerate implementation of quality management, the Army is implementing the Army Performance Improvement Criteria. These organizational assessment criteria are derived from the Malcolm Baldrige National Quality Award. They assess all aspects of an organization's operations, including leadership, human resource development, process management, operational results, and customer satisfaction.

Cost Saving Initiatives

While we continue to search for additional, innovative ways to generate savings, we are now benefiting from several programs and initiatives we instituted over the past several years. Initiatives such as Total Asset Visibility and acquisition reform are making the Army more efficient, productive, and cost-effective today, and they promise to generate increased savings in the years ahead.

Total Asset Visibility

Total Asset Visibility is a comprehensive Army program that improves the

Army's ability to obtain and act on information about the location, quantity, condition, and movement of our assets. This effort enables the Army to track the flow of equip-

ment and supplies continuously, whether they are in production, at a repair depot, in the inventory, or on the move between various locations. This capability allows the Army to get the right item to the right location at the right time, to redistribute assets to meet needs, to divert in-transit assets when required, and to avoid buying unnecessary items. To track assets, we use automated identification technologies, such as bar coding, laser optical cards, and radio frequency tags and readers. These tools provide rapid and accurate data capture, retrieval, and transmission.

With Total Asset Visibility, the Army has made significant gains in providing information to managers who can reduce new item procurement, improve the use of available assets through redistribution, and improve command and control decisions. Through this system, Army managers can track over 311,000 items representing 90 percent of the Army's supplies. In 1995, *Government Executive* magazine, which recognizes innovative technology-related programs within the federal community, selected TAV from more than 330 nominations as one of the winners of the Federal Technology Leadership Award.



Total Asset Visibility is critical in peace, war and other operations. It helps commanders and logistics managers provide timely and effective support while improving Army operational and materiel readiness.

Manpower and Personnel Integration

Through Manpower and Personnel Integration (MANPRINT), we are integrating systems with soldiers. This initiative ensures that systems are designed around the soldiers who will use them by assessing the impact of system design on individual operators and maintainers, the fighting unit, and the force as a whole. MANPRINT defines manpower and personnel requirements, minimizes the need for redesign, identifies and implements effective training technologies, and enhances soldier safety, health and survivability. The goal is to balance design factors which optimize life cycle costs, force structure requirements, and combat effectiveness.

MANPRINT is forward looking: it addresses the design of future systems today and accounts for projected changes in the structure and technology of tomorrow's Army. MANPRINT systematically identifies essential knowledge and skills, provides the necessary training, and ensures systems maximize the effectiveness of human resources.

The Comanche helicopter is an excellent example of MANPRINT's contributions to system design. Its cockpit is designed to support the full range of size and motion of both male and female pilots. By modularizing components, we have decreased maintenance requirements and we will reduce the risk of damage to surrounding components. By applying the MANPRINT process early, we have saved in excess of three billion dollars.

Integrated Sustainment Maintenance

Integrated Sustainment Maintenance (ISM) integrates, under a single manage-

ment structure, all Active and Reserve Component General Support maintenance units, installation Directorate of Logistics facilities, maintenance depots, and defense contractors who perform maintenance on weapon systems. ISM streamlines maintenance and repair activities by centrally managing all Army sustainment maintenance workloads. This integration of maintenance levels ensures the best use of maintenance skills and reduces costs by eliminating redundant layers of management and maximizing the Army's sustaining base repair capability. ISM provides a focused logistics effort and permits greater workload distribution resulting in a more effective, efficient use of the Army's total maintenance capability.



Integrated Sustainment Maintenance maximizes the Army's sustaining base repair capability.

A nine month test of the ISM program concluded in 1994 was so positive that the Army decided to commence an expanded demonstration in 1995. This ongoing demonstration is evaluating procedures for expanding ISM across major Army commands and establishing the roles and functions of national level sustainment management. Final details for implementing ISM throughout the Army are expected to be presented to senior Army leaders for approval in 1996.

Acquisition Reform

The Army is teaming with the Defense Department and industry to improve our acquisition process by promoting innovation, good business judgment, and by changing laws, regulations, and processes that impede smart practices. Army acquisition reform efforts are directly linked to initiatives in the National Performance Review. Each year, the Army places over \$32 billion on contract. Everyone involved in determining requirements and acquiring equipment, supplies, and services for soldiers, their families, and our civilian employees must work together to improve our contracting practices. Implementing acquisition reform initiatives will provide the Army with excellent opportunities to stabilize requirements and programs, and provide savings for modernization, readiness, and quality of life initiatives.

In an effort to cut red tape, the Army provided resources directly to Program Executive Officers and Program Managers, eliminated unique government requirements for Army contracts, mandated compliance with the Army Technical Architecture, and reduced data and management reports in Army contracts. By specifying how a system should perform instead of specifying how it should be manufactured, the Army has saved

precious funds on weapon systems, such as the COMANCHE helicopter, and routine maintenance contracts at Army installations. The Army also has established a preference for commercial items, which generally cost much less than items made to unique military specifications. Our dedication to real, lasting acquisition reform is reflected in our training program: we have trained over 5,000 personnel through our acquisition training seminars known as "Roadshows," and we are developing career path training programs for Army acquisition personnel.

We have fostered significant acquisition successes by streamlining and reengineering our acquisition programs. Working under the new Federal Acquisition Streamlining Act, we will be able to reduce documentation and oversight and remove many of the legal barriers that preclude much of the industrial base from selling to the Army. Our acquisition reform initiatives allow us to save money and, more importantly, to provide soldiers with new equipment more quickly.

We have developed many of the Army's reengineering successes through Cooperative Research and Development Agreements. These agreements are new mechanisms for the development and transfer of technology between the Army, academia, and private industry under which we provide purpose and overhead while academia and industry research technological advancements.

The Army Material Command, a major Army command responsible for equipping and sustaining the Army, also has instituted numerous programs and initiatives to improve the acquisition process. One, known as Direct Vendor Delivery, allows vendors to deliver directly to the ultimate user. In a two-year pilot program, the Tank-Automotive and Armaments Command has received 75 percent of its tires directly from vendors at a savings of more than \$45

million. Another initiative, the purchasing of nondevelopmental items that are available commercially instead of developing, testing and evaluating new systems, has saved the Army over \$400 million.

Other Commands have also instituted innovative reforms that are producing savings. Medical Command has used the Prime Vendor concept to improve their delivery of quality medical services at a reduced cost. This concept allows a single supplier to distribute a specified class of commercial supplies in a given geographical area. Orders are placed electronically and the Army is able to maintain minimal stocks as the prime vendor provides just-in-time delivery to meet requirements. Along with increased use of electronic commerce in contracting, the Army is the largest user of the credit card within the federal Government. Our credit card usage increased three-fold in FY95. The Army hopes to achieve a savings of over \$76 million in FY96 by using credit cards in lieu of purchase orders.

These initiatives are among the many approaches the Army is taking to reform and improve the acquisition process. Acquisition reform enables us to leverage resources, thereby creating significant savings needed for developing our 21st century Army.

Other Examples

The Army has undertaken many other efforts to save money. Throughout the drawdown, we have been converting underutilized facilities to commercial use. The Army had been spending \$3 million annually to maintain the Indiana Ammo Plant. By leasing the plant's facilities, equipment, and land to over 43 commercial companies, the Army avoids those costs. Our success at the Indiana Ammo Plant is a model for defense conversions.

By establishing Material Redistribution Centers, we have generated significant savings. These centers streamline the procedures for collecting and redistributing excess equipment from deactivated units. Thus far, we estimate that these centers have precluded expenditures of \$74 million in operations and maintenance.

Army family housing is adopting the Business Occupancy Program to improve efficiency and generate savings. Under this

program, family housing funding will no longer be based on the number of units in an installation's inventory. Instead, installations will be funded for housing based solely on occupancy. Housing managers can improve the condition of housing with stable funding and remove uneconomical units from the inventory by divestment or demolition. In addition to saving money, this program will enable soldiers to live in high quality on-post housing.

Conclusion

The Army is rapidly becoming more efficient in virtually all of its business practices. Readiness, essential modernization, and quality of life improvements for our deserving soldiers require money. The challenge is difficult, but by streamlining operations, adopting suitable commercial practices, and reorganizing our processes and programs, we have a significant "window of opportunity" to generate savings. Several programs and initiatives are already saving money, and those savings will increase exponentially as they continue to be implemented Army-wide.

Even with the many initiatives currently in effect and the promise of more to come, the Army requires the support of the President and Congress. We need continued legislative support in repealing statutes that inhibit efficiency, and we must be able to retain the savings we garner for investment in readiness, modernization, and quality of life.



Savings we generate by becoming more efficient will help keep the force trained and ready, modernize the Army for the 21st century, and improve quality of life programs for soldiers.

5. AMERICA'S ARMY TOMORROW AND INTO THE 21st CENTURY

The nature of warfare will change in the 21st century as the divisions between the strategic, operational and tactical levels of war become less distinct. The principles and root causes of war, however, will not change, nor will the consequences of being unprepared to fight and win. The Army is moving today to conceive, shape, test, and field an Army prepared to meet the challenges of the coming millennium. America's 21st century Army will be a capabilities-based force, with the ability to conduct simultaneous and seamless operations across the spectrum of conflict.

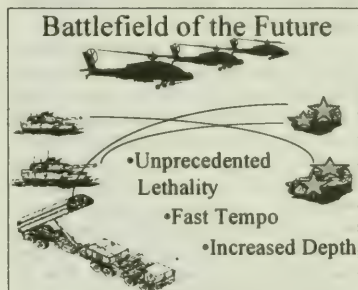
21st Century Warfare

Advancements in technology will change warfare in the 21st century. Soldiers, America's ultimate weapon, will still be required to close with and destroy the enemy, but emerging technologies will yield new combat capabilities. In fact, technological advances promise to revolutionize future battlefields in five key areas: lethality and dispersion, volume and precision of fire, integrative technology, mass and effects, and invisibility and detectability.

Increased lethality and the corresponding dispersion of forces will significantly change the complexion of the battlefield. The battlefield will remain bloody and dangerous, but as weapons of mass destruction and long-range precision strike weapon systems proliferate, soldiers and units will necessarily become more dispersed. Unit cohesion will become even more important and may be the difference between tactical victory and defeat. To remain capable of providing decisive victory in the emerging environment, America's Army must make major changes in tactics, organizations, doctrine, equipment, force mixes, and methods of command and control.

Future battlefields will also be characterized by significantly increased volume and precision of fires delivered at greater

ranges. The Gulf War provided only the first glimpses of how the ability to deliver precise, high volume fires at extended ranges will affect the battlefield. Emerging technology will make the delivery of fires on future battlefields even more accurate and more lethal.



Integrative technologies will have a profound effect in digital communications, intelligence, global positioning and logistics. Technology will allow the commander to visualize the battlespace, the current state of friendly and enemy forces, weather and terrain. The commander will be able to visualize the desired end state and the steps to achieve it in a single system for planning, rehearsal, and execution.

Emerging technologies will allow future forces, though smaller in size, to be more capable of massing decisive effects. They will shoot more often, more accurately, and be better able to transit the battlefield because of improved mobility and communications. Cooperation between different levels of command will increase as advances in global positioning and other technologies enhance the effects of both direct and indirect fires. Units will be able to mass the effects of weapons due to better organization of flexible, tailored task forces. In the 21st century, battlefields will see greater integration of maneuver forces with artillery, engineers, aviation, and the forces of other services. Maneuver will be conducted by small, lethal, mobile and tailorable units. Advanced technology will maximize the benefits of maneuver by increasing the tempo of operations and improving the ability to function day or night and under adverse weather conditions.

As technology permits greater detection at extended ranges and the delivery of fires from over the horizon, the need to become less visible becomes increasingly important. The future land force commander must make the battlefield more transparent for friendly forces and more opaque to opponents. Increased control, volume, range, and lethality of fires provides a distinct advantage to the force that sees and understands the battlefield better than its opponent. Enhanced situational awareness

at all levels from the individual soldier through senior commanders contribute to achieving dominant battlespace awareness.

Threats

It is expected that there will be four types of military threat to the United States and its interests in the next century: information warfare; nuclear, biological and chemical weapons; standing armies of foreign powers; and irregular forces ranging from ethnic militias to terrorists.

The information warfare threat is genuine and world-wide. The global connectivity and openness of our national information infrastructure makes it vulnerable to interference. Whether at peace or war, U.S. forces can expect an adversary to use advanced technologies to damage, disrupt, or destroy information and communication systems — or the information residing in them.



Nuclear, biological, and chemical weapons pose a deadly threat.

Nuclear, biological, and chemical weapons are viewed as potential equalizers by states that cannot compete with the advanced technology, wealth, and military power of the United States. These weapons pose a deadly threat, and many potential adversaries are seeking to acquire them.

Standing armies of nations hostile to U.S. interests always pose a threat. Potential

adversaries witnessed our awesome power in the Gulf War; however, most states recognize the military power of the United States and will likely try to avoid presenting a direct military challenge. If a military confrontation does occur, they are apt to seek asymmetrical responses designed to exploit perceived U.S. vulnerabilities, such as the sensitivity of the U.S. public regarding military casualties and weaknesses in our reliance on advanced technology.

Conflicts involving irregular forces could draw U.S. involvement. Paramilitary forces, militias, rogue militaries, bandits, terrorists, narco-criminals and other non-state threats can be the most challenging

threat. Except for terrorists and criminals, they rarely present a direct threat to the United States, but their skills for creating disorder in peripheral regions routinely result in calls for international intervention. As entrepreneurs of conflict, irregulars usually fight asymmetrically, limiting or even negating the U.S. military's conventional and technological advantages. Such enemies fight unrestrained by laws or ethical codes, while U.S. forces remain bound by internationally accepted standards of conduct. The most capable, adaptable weapon system for this environment is the highly motivated, well trained, and well led American soldier.

Some Constants

As the Army prepares for the 21st century, some things will not change. America's Army will continue to be a values-based organization. The guiding beliefs which characterize the Army will still be described in one word: *DUTY*. Likewise, the professional qualities of commitment, competence, candor, compassion, and courage will continue to undergird the belief in duty. These qualities will remain the foundation of our doctrine and of the unique American way of waging war.

The Army's fundamental purpose — fighting and winning the nation's wars — will remain unchanged also. The Army will continue to be involved in operations as diverse as humanitarian assistance and peacekeeping, but success will depend on well trained, disciplined soldiers who are ready for war. The bond between the Army and the nation will also remain firm. We will continue to be partners with the American people for national defense.

The Army Ethos

The Army ethos are the standards and ideals that distinguish, characterize and motivate the Army. They inspire the sense of purpose necessary to sustain soldiers in the brutal realities of combat and help them deal with the ambiguities of military operations where war has not been declared. The Army ethos are succinctly described in the word "*DUTY*," which means behavior

required by moral obligation, demanded by custom, or enjoined by feelings of rightness. *Duty* compels us to do what needs to be done despite difficulty or danger. Contained within the concept of duty, *integrity* and *selfless service* give moral foundation to the qualities the ethos demand of all soldiers. *Integrity* is the uncompromising adherence to a code of moral values, the avoidance of deception or expediency of any kind. Integrity provides the basis for trust and

confidence. *Selfless service* puts the welfare of the nation and the accomplishment of the mission ahead of individual desires; it leads to teamwork and unity of effort.

Professional Qualities

The core professional qualities of *commitment, competence, candor, compassion, and courage* are the facets of the professional soldier's character that undergird the ethos. *Commitment* is dedication to serving the Nation, the Army, the unit, and one's comrades; commitment is seeing every task to completion. *Competence* is finely tuned proficiency that ensures success. *Candor* is unreserved, honest expression. Mission accomplishment and soldier lives depend on the honest answer delivered directly and forthrightly. *Compassion* is basic respect for the dignity of each individual. *Courage*, both physical and moral, makes it possible for

soldiers to fight and win in the chaos of battle. Physical and moral courage can be the difference between failure and success, whether in peace or in war.

The Army - Nation Bond

Committing the Army commits the Nation. No other single gesture so readily demonstrates U.S. resolve as placing American soldiers in harm's way. The Army's strength always has been, and always will be, the American soldier. Soldiers are our most important asset. An American soldier, on the ground, is the most visible symbol of American determination and will. Committing America's Army makes a strong statement that adversaries cannot misinterpret. The Army makes the most significant investment it can make to the nation's security by properly training, equipping, and supporting our soldiers.

Forging America's 21st Century Army

As the world enters the information age, the Army must stay ahead of changes in warfare. The future force must be prepared to conduct quick, decisive, highly sophisticated operations. It must also be ready to execute peace operations and limited, often protracted, operations against less sophisticated enemies. In the past five years, the Army has accomplished much towards building a capable and versatile 21st century army, but there is still much to do. The Army fully intends to remain the world's most formidable land force in the next century and has developed a plan to convert that vision into reality by taking advantage of the revolution in information technology. America's 21st century Army will integrate emerging information technologies with sound doctrine, reinvented organizations, and quality people to make a smaller force more lethal, more survivable, more versatile, and more deployable.

Force XXI

Simply stated, Force XXI is a process that projects our quality soldiers into the 21st century and provides them the right doctrine, organization, training; and the best equipment, weapons, and sustainment our nation can provide. Force XXI is the Army's comprehensive approach to transforming an industrial age army to an information age

army. The product of our Force XXI process will be a versatile army with the capabilities that America needs for the next century — Army XXI. The concept of Force XXI calls for major changes in philosophy, theory, materiel, and organization. The Army must change how we think about war, how we fight and lead on future battlefields, and how we succeed in military operations other than war.



Force XXI projects our high quality soldiers into the 21st century

Decisive victory in the 21st century will be achieved by dominating the enemy in speed, space and time, and by achieving and sustaining a high pace of continuous operations in all types of environments. Competitive advantage will derive from the quantity, quality, and use of information. Emerging information and digital technologies significantly enhance the Army's capabilities by creating a synergistic effect among weapons and organizations. In forging our 21st century Army, Force XXI will maximize the science of modern digital technology, the art of integrating doctrine and organization, and the skills of the Army's quality people. Force XXI is enhanced command and control capability. It is not overmatch in every conceivable weapon system. Force XXI looks at the capability to integrate all

elements of combat power faster than an adversary.

Force XXI focuses on the following characteristics essential to develop a smaller, more lethal and versatile 21st century Army: quality soldiers, flexible doctrine, tailorability and modularity, joint and multinational connectivity, versatility, and shared situational awareness.

Quality Soldiers. Quality soldiers will remain as critically important in the 21st century as they are today. Intelligent, physically fit, highly motivated, educated, and well trained soldiers will be required to leverage technology to its full potential.

Flexible Doctrine. The future strategic environment possesses great potential for operations across the entire continuum of conflict — from war, to lesser conflicts, to peace operations. Leaders must have the skill to apply principles in ways as varied as the scenarios presented. Through flexible doctrine, our leaders and soldiers will be able to adapt tactics, techniques, procedures, and organizations to meet requirements in the future.

Tailorability and Modularity. Strategic lift limitations, other service capabilities, time limits, and other factors require tailoring forces to meet the needs of the joint force commander. Our 21st century Army will be modular in nature to enable the tailoring of necessary force packages. Modular forces will allow the generation, projection, and sustainment of force packages for any contingency.

Joint & Multinational Connectivity. Execution of operations throughout the battlespace demands the use of all service assets. Likewise, political and military considerations will require that most operations involve many nations and agencies. The

ability to pass information unhindered among the elements of the joint or multinational force will be essential. Likewise, the operational systems of all elements must be compatible.

Versatility. The requirement to be trained and ready to fight and win remains the Army's absolute priority. The Army also must be capabilities-based, with the ability to conduct missions across the continuum. Future military operations will be characterized by diversity and complexity. Our 21st century Army must possess the requisite versatility to succeed in these operations.

Shared Situational Awareness. Fast, precise communications among all echelons of the force will greatly improve situational awareness and agility of the force. Improved awareness and agility, in turn, produce significantly better lethality, survivability, command and control, versatility, sustainability, and deployability.

Horizontal Technology Integration

As the Army builds a 21st century force, it faces formidable challenges in modernization. Advanced Technology offers significant operational advantages, but it is expensive and must be tested. When technological breakthroughs do occur, our Horizontal Technology Integration (HTI) initiative allows the Army to capitalize on them and apply the improved capability across the force. The HTI approach simultaneously integrates and fields emerging technologies into different weapon systems and support platforms that work together. Integrating technologies across multiple systems improves warfighting capabilities and interoperability. The Army implements integration within the framework of existing structures and organizations and supports the

evolving streamlined acquisition process developed by the Defense Department.

The Army's HTI activities break away from traditional and expensive vertical technology integration and materiel acquisition processes. Through new acquisitions, product improvements and system-component upgrades, we are integrating dissimilar systems. When we field common subsystems, we reduce operational and support costs by allowing standardization of components, simplified maintenance and more efficient use of manpower.

In our technology integration program, the Army is currently applying technologies in four areas which will enhance both the capability and survivability of the future force. One area, known as "*Own the Night*," permits our forces to achieve tactical surprise and maintain momentum around the clock. The second, *Battlefield Combat Identification*, provides enhanced situational awareness and reduces the risk of fratricide. A third, *Battlefield Digitization*, ensures the right information gets to the right warfighter at the right time. Fourth, the *Suite of Survivability Enhancement Systems*, the newest HTI program, capitalizes on technologies designed to enhance survivability.

Digitization

The digitized battlefield is the cornerstone of the horizontal technology integration initiative. It is critical to ensuring America's Army remains the premier land combat force into the 21st century. Digitization is the application of information technologies to acquire, exchange, and employ timely battlefield information throughout the entire battlespace. It enables friendly forces to share a relevant, common picture of the battlefield while communicating and targeting in real or near-real time. Digitization will

enable the Army to collect and exploit battlefield information rapidly. It will reduce the "fog of war" and decrease decision-making time by optimizing the flow of command and control information. Digitization will allow commanders to synchronize effectively and mass combat power at the critical time and place — faster than any adversary can — thereby increasing lethality, survivability, and operational tempo while reducing the potential for fratricide.

The Army Digitization Office (ADO), formed in 1994, integrates digital information technology to ensure seamless digital communications from the sustaining base to the tactical and strategic levels. ADO analyzes elements of architecture, communications and integration, identifies requirements, and evaluates digitization efforts. The ADO also works closely with our sister services and coalition partners to ensure that digitization programs are interoperable.

The Army Enterprise Strategy supports digitization by unifying and integrating a wide range of command, control, communications, computers, and intelligence (C4I) initiatives. The Enterprise Strategy integrates current doctrine and modernization plans for information systems and addresses the requirements to organize, train, and equip the force. It provides a framework for winning the information war, by focusing on Army information needs as a whole.

A key component of the Army Enterprise Strategy and to supplying warfighters with integrated information systems is the Army Enterprise Architectures. These architectures — Operational, Technical and Systems — define information exchange requirements, mandate and promote use of commercial standards and protocols, and ensure systems are interoperable. In recognition of this focus, the Army Technical Architecture was selected by the Defense

Department as the baseline for development of a Joint Technical Architecture.



Digitization will enable the Army to collect and exploit battlefield information rapidly.

Command and control will be particularly critical in the high-tempo environment of the future battlefield. The Army Battle Command System (ABCS) is the umbrella architecture that supports the Army from the foxhole to the strategic level. The programs under ABCS — Army Global Command and Control System (AGCCS) and Army Tactical Command and Control System (ATCCS) — represent a comprehensive approach to automating command and control.

AGCCS consolidates the development of command and control programs at echelons above corps and implements the Army's extensions to the Global Command and Control System. ATCCS meshes the battlefield command and control systems for commanders and their staffs from corps to battalion and improves interoperability among Army, joint, and allied systems.

ATCCS has five systems in various stages of development, testing, and fielding: the *Maneuver Control System* will integrate all fire support, intelligence, air defense, logistics, and maneuver information; the *All Source Analysis System* is a computer-based threat integration intelligence system that automatically receives, stores and integrates threat information into intelligence products; the *Combat Service Support Control System* provides timely situational awareness and force projection information to determine the capability to support current operations and sustain future operations; the *Advanced Field Tactical Artillery Data System* provides integrated, automated support for planning, coordinating, and controlling all fire support assets; and the *Forward Area Air Defense Command, Control, and Intelligence System* is an automated means of providing timely target data to facilitate management of the air battle.

Battle Labs

The Battle Labs Program is essential to improve Army requirements and acquisition processes as we prepare for the 21st century. The Army has established six Battle Labs; Early Entry, Mounted Battlespace, Dismounted Battlespace, Command and Control, Depth and Simultaneous Attack, and Combat Service Support. Each of them uses distributed interactive real, constructive, and virtual simulations. These simulations test options to ensure that Army resources are applied against initiatives that provide the best battlefield payoff. The Advanced Concepts and Technology II (ACT II) program allows industry to demonstrate promising technology and prototypes. Each Advanced Technology Demonstration (ATD) must sponsor and have at least one experiment performed at one of the battle labs. We then rapidly prototype promising

technologies to the warfighting customer. The Army works as a team with the developer, user, and industry. This teamwork is critical in simulating, experimenting, and assessing advanced technologies and concepts and determining their potential for use in weapon systems, advanced warfighting concepts, and even organizational improvements.

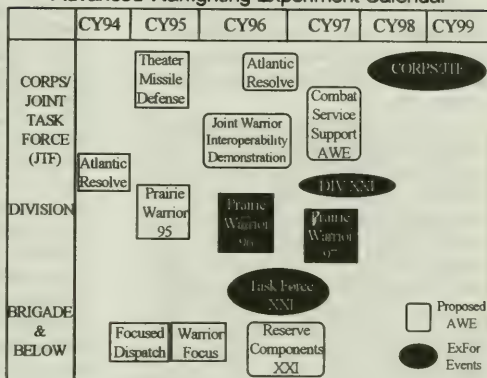
In our Battle Labs, we can appraise options for joint and coalition warfighting. Our sister services have been active participants in a number of warfighting experiments. The British and German armies are establishing similar battle labs and intend to coordinate programs to ensure interoperability. These joint and coalition linkages provide a real world context in which to develop America's land combat force of the 21st century.

Battle Lab warfighting experiments begin with formal hypotheses derived from contemporary operations. They employ a progressive and iterative mix of constructive, virtual and live simulations, involving field soldiers and units in relevant, tactically competitive scenarios. They use a wide variety of warfighting experiments ranging from narrowly focused scenarios to comprehensive, detailed exploration of complex issues. The latter are called Advanced Warfighting Experiments (AWEs) and address the elements of doctrine, training, leader development, organization design, materiel and soldier system requirements.

AWEs have focused on specific force improvements. *Atlantic Resolve* provided insights about linking disparate constructive, virtual and live simulations in a "synthetic theater of war." *Theater Missile Defense* explored ways to integrate national, joint and Army capabilities into a cohesive tactical missile defense force. *Prairie Warrior/Mobile Strike Force* explored future division-

level organizational, materiel, and operational concepts that will influence division redesign efforts. *Focused Dispatch* evaluated processes and functions of digital connectivity in a mounted battalion task force among fire support, intelligence, combat service support, and battle command. *Warrior Focus* established the baseline for digitization of dismounted battalion task forces and continued to explore dismounted "own the night" issues.

Advanced Warfighting Experiment Calendar



Experimental Force

The Army uses experimental forces to better understand issues and to develop solutions under realistic conditions with field soldiers and units. Designated as the Army's experimental force on March 15, 1995, the 4th Infantry Division (Mechanized) (EXFOR) will be the Army's primary vehicle to experiment with information age concepts and technologies. It will include all types of operational forces so that its experiments will provide insights that will benefit the entire Army. It will be organized around information and information technologies. The EXFOR will conduct a brigade-level exercise in February 1997 and a division exercise in November 1997. While the EXFOR will experiment with new technologies in its training and exercises, the primary focus is new organization design and battle command concepts.

Information Age Intelligence

With information age systems, Army intelligence will do much more than merely collect and process data. Information age

technology creates the opportunity to detect, target, and attack enemy forces throughout the depth of the battlefield rapidly. Army intelligence operations will be a critical force multiplier, with requirements to simultaneously deny our potential adversaries access to our critical information, to gain intelligence through access and analysis of enemy information, and to engage in operations that will deny enemy use of command and control.

Intelligence in the 21st century Army will differ from the past in five ways. First, *commanders will drive intelligence needs* and must assume a central position in the intelligence process. Second, *intelligence synchronization* will ensure intelligence never stands as a separate entity but is synchronized with operational objectives. Intelligence will provide complementary coverage and be driven by operational timelines. Third, *split-based intelligence operations* will provide efficient, tailored and flexible intelligence support from multiple locations, including nearby sanctuaries and home stations in the United States. Fourth, *broadcast*

intelligence will allow the system to reach echelons and headquarters simultaneously and efficiently. And finally, through *tactical tailoring*, commanders will package and sequence the intelligence necessary to conduct operations.

The Threat Spectrum Model will support future military operations by reducing the uncertainty of potential threats and providing analytical structure to current assessments and estimates. It integrates general military intelligence with science and technical intelligence for a qualitative, aggregate assessment of a threat force's capability. In order to access patterns and capabilities accurately, the Threat Spectrum Model depicts threats along a spectrum from non-military threats to traditional standing armies.

Army intelligence will support the 21st century Army with a tailored architecture of procedures, organizations, and equipment focused on a common objective and driven by the warfighter's requirements. Support will be comprehensive and virtually seamless from tactical to strategic level.

Theater Missile Defense

Ballistic, cruise, and air-to-surface missiles present a serious and expanding threat to current and future operations. These theater missiles can be technologically unsophisticated, inexpensive, and capable of delivering weapons of mass destruction. To counter this threat, the Army is moving rapidly to field systems such as the Patriot Advanced Capability (PAC)-3, Theater High Altitude Area Defense (THAAD), and the Corps Surface-to-Air (SAM)/Medium Extended Air Defense System (MEADS).

Theater missile defense, a joint operation, consists of four operational elements: attack operations; active defensive; passive

defense; and battle management/ command, control, communications, and computers and intelligence.

Attack operations are offensive actions to destroy or disrupt enemy theater missile capabilities. In the mid to long-term, the improved Army Tactical Missile System, Predator Unmanned Aerial Vehicle, Comanche helicopter, and others will enable the ground commander to extend his reach, reduce sensor to shooter time, improve targeting accuracy, and significantly increase lethality.

Active defense destroys hostile theater missiles, airborne launch platforms, and unmanned aerial vehicles in flight. The Patriot PAC-3 will expand lower tier protected areas and provide increased lethality against enemy missiles. Similarly, for the upper tier, the THAAD system will provide full-range protection against incoming missiles both in and above the atmosphere.

For the maneuver force, we are developing an active defense option against very short range theater ballistic missiles. The Army, in unison with France, Germany, and Italy, is developing the Corps SAM/MEADS. Corps SAM/MEADS is the only programmed system capable of providing air and missile defense for Army and Marine maneuver forces.

Passive defense includes operational security, deception, early warning, survivability, and reconstitution measures to reduce the probability and vulnerability of a theater missile attack. Passive defense will be supported by the Joint Tactical Ground Station (JTGS), which provides a direct downlink into a theater of operations for launch detection warning and impact point prediction data from national level systems.

Battle Management/Command, Control, Communications, Computers and Intelligence fuses disparate, geographically separate, active defense, passive defense, and

attack operations into a focused effort under the Army Battle Command System. During the Advanced Warfighting Exercise *Theater Missile Defense* in April 1995, a prototype Theater Missile Defense Tactical Operations Center demonstrated its ability to integrate the four elements of theater missile defense.

National Missile Defense

Over fifteen developing countries possess ballistic missiles and at least twenty-three countries are pursuing weapons of mass destruction. In response to the emerging ballistic missile threat, the Ballistic Missile Defense Organization has developed a joint National Missile Defense (NMD) system architecture. The Army is the Executing Agent for critical components of that architecture, including the ground-based interceptor and ground-based radar elements. The Department of Defense's NMD program is characterized as a Deployment Readiness program, which during the next three years will focus on developing the critical systems and technologies to support a deployment decision. If, at the end of that three year development effort, the ballistic missile threat warrants, the U.S. could deploy an initial NMD system in three years. Based on this "3 plus 3" program approach, an initial operational capability could be achieved in approximately six years. This initial NMD system, with the Army playing a critical role, would be capable of protecting the U.S. against limited ballistic missile attacks.

Space Support

As we enter the 21st century, the Army will continue to use space products. Space systems provide communications; weather and earth resource monitoring; reconnaissance, surveillance, and target

acquisition; position, navigation, and digital mapping; missile defense warning. As we look to the next century, space products will help us turn a smaller Army into an even more effective national security asset.



The Army uses space products in virtually every operation.

The Army uses space products in virtually every operation. During Desert Shield, early operations were directly supported by graphical maps produced using Landsat imagery. During Desert Storm, satellite communications and navigation provided the land component commander a viable means of controlling the rapid movement of widely dispersed formations. The commander used real time weather data from polar orbiting satellites to anticipate weather effects. During UPHOLD DEMOCRACY in Haiti, space products provided deployed

forces with critical video teleconferencing connectivity, near real-time intelligence reports, and high resolution maps.

Space — a force multiplier — is key to future warfighting missions. Space systems enhance operations by providing timely situational awareness. The Army will continue to organize and train forces using space capabilities that make forces more responsive, flexible, interoperable, and survivable. By aggressively exploiting space products, the Army will maintain land force dominance in the 21st century.

TeleMedicine

The Army's TeleMedicine program is a promising information-age capability. It provides around-the-clock medical consultation services. Current technology allows the transference of diagnostic quality images from deployed remote facilities to medical centers. It also allows video teleconsultation with diagnostic scopes (otoscope, endoscope, dermoscope, and oral camera), high speed file transfer, telephone and facsimile support. Ongoing integration efforts are focused on adding digital stethoscopes,

ultrasound, and film digitizers. It is already operational at remote deployment sites throughout the world. Since its initial use in Somalia, remote teleconsultation has been projected to Macedonia, Croatia, Haiti, and Kuwait.

TeleMedicine also allows clinicians in remote locations to confer with medical specialists located at medical centers around the world. This capability enables clinical specialty consultations, improved emergency trauma management, patient evacuation consultation, and continuing medical education. A new concept, Reverse TeleMedicine, will determine whether deployed physicians can continue management of their patients back at their home station.

TeleMedicine has two advanced technology goals. One, *Worldwide Consultation*, will extend more medical assets to battlefield medical treatment facilities by instantaneously connecting medical officers in the field with specialty consultants in medical centers. The second, *Information Access*, will integrate TeleMedicine with established medical databases, such as the National Library of Medicine.

Conclusion

America's Army is committed to meeting the demands of the future. With its boots firmly planted in the realities of today's world, the Army is focused on the 21st century. The Army is looking to and planning for the future, while simultaneously responding to the nation's call both at home and abroad. The information age is upon us, and the Army is changing to meet the challenges of this new era. The Army must harness the technology that fuels the information explosion to successfully transform itself from the premier Cold War, industrial-age army to the premier 21st century information-age army. The Army must make this transformation while remaining trained and ready to respond to the nation's call.

We know the capabilities the Army needs in the next century. We have developed a plan to convert that vision into reality. The Army's leaders are committed to forging a 21st Century army — one that is organized, equipped, and manned to maximize the power of the information age.



*The information age is upon us, and
the Army is changing to meet the
challenges of this new era.*

ACRONYMS

ABCS
Army Battle Command System

ACAP
Army Career and Alumni Program

ACES
Army Continuing Education System

ACOE
Army Communities of Excellence

ACTEDS
Army Civilian Training, Education, and Development System

ADDS
Army Data Distribution System

AFAP
Army Family Action Plan

AFTBP
Army Family Team Building Program

AGCCS
Army Global Command and Control System

AIAP
Army International Activities Plan

APIC
Army Performance Improvement Criteria

ARL
Airborne Recon Low

ASAS
All Source Analysis System

ASTAMIDS
Airborne Stand-off Minefield Detection System

ATCCS
Army Tactical Command and Control System

AWE
Advanced Warfighting Experiment

BAT
Brilliant Anti-armor Technology

BCIC
Battlefield Combat Identification System

BCTP
Battle Command Training Program

BLTM
Battalion Level Training Model

BMAR
Backlog of Maintenance and Repair

BOP
Business Occupancy Program

BRAC
Base Realignment and Closure

BSF-E
Bradley Stinger Fighting Vehicle-Enhanced

CA
Civil Affairs

CATS
Combined Arms Training Strategies

GBCS
Ground Based Common Sensor

GBS
Ground Based Sensor

CFO
Chief Financial Officer

CGS
Common Ground Station

CHAMPUS
Civilian Health and Medical Program of the Uniformed Services

C4I
Command, Control, Communications, Computers, and Intelligence

CJCS
Chairman Joint Chiefs of Staff

CMTC
Combat Maneuver Training Center

CONUSA
Continental United States Army

CRDA
Cooperative Research and Development Agreements

CTC
Combat Training Center

C2V
Command and Control Vehicle

DCSOPS
Deputy Chief of Staff for Operations and Plans

DIS
Distributed Interactive Simulation

DLEA
Drug Law Enforcement Agency

DMFCS
Digitized Mortar Fire Control System

DVD
Direct Vendor Delivery

EXFOR
Experimental Force

FASTA
Federal Acquisition Streamlining Act

FEMA
Federal Emergency Management Agency

FLIR
Forward Looking Infrared Radar

FM
Field Manual

GT
General Technical

GPRA

Great Performance and Results Act

GPS

Global Positioning System

HAB

Heavy Assault Bridge

HTI

Horizontal Technology Integration

ICBM

Intercontinental Ballistic Missile

IMAP

Installation Management Action Plan

ISM

Integrated Sustainment Maintenance

ISR

Installation Status Report

ITAS

Improved Target Acquisition System

IVIS

Intervhicular Information System

JRTC

Joint Readiness Training Center

JSTARS

Joint Surveillance Target Attack Radar System

JTAGS

Joint Tactical Ground Station

MANPRINT

Manpower and Personnel Integration

MFO

Multinational Force and Observer

MILSTAR

Military Strategic Tactical Relay

MSE

Mobile Subscriber Equipment

MWR

Morale, Welfare, and Recreation

NATO

North Atlantic Treaty Organization

NMD

National Missile Defense

NPR

National Performance Review

NTC

National Training Center

ODT

Overseas Deployment Training

OMA

Operations and Maintenance, Army

OPRED

Operational Readiness

OPTEMPO

Operational Tempo

PEO

Program Executive Officer

PLS

Palletized Loading System

POM

Program Objective Memorandum

PQA

President's Quality Award

PSYOP

Psychological Operations

RC

Reserve Component

RDA

Research, Development, and Acquisition

RFP

Request For Proposal

SAM

Surface to Air Missile

SATS

Standard Army Training System

SERB

Selective Early Retirement Board

SCAMP

Single Channel Anti-Jam, Manportable

SMART-T

Secure, Mobile, Anti-Jam, Reliable, Tactical

SOA

Special Operations Aviation

SSB

Special Separation Benefit

TASS

Total Army School System

TAQ

Total Army Quality

TAV

Total Assest Visibility

TENCAP

Tactical Exploitation of National Capabilities

THAAD

Theater High Altitude Area Defense

TMD

Theater Missile Defense

TOA

Total Obligation Authority

TRM

Training Resource Model

UAV

Unmanned Aerial Vehicle

UN

United Nations

USAREUR

United States Army Europe

VERA

Voluntary Early Retirement Authority

VSI

Voluntary Separation Incentive

VSIP

Voluntary Separation Incentive Pay

WAM

Wide Area Munition

WBRP

Whole Barracks Renewal Program

ADDENDUM

*DATA REQUIRED BY THE
NATIONAL DEFENSE AUTHORIZATION ACT FOR FY 1994
(BOLD ITALICS INDICATE SUPPLEMENTAL DATA REQUIRED BY HQDA)*

Section 517 (b)(2)(A): The promotion rate for officers considered for promotion from within the promotion zone who are serving as active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared with the promotion rate for other officers considered for promotion from within the promotion zone in the same pay grade and the same competitive category, shown for all officers of the Army.

Section 517 (b)(2)(B): The promotion rate for officers considered for promotion from below the promotion zone who are serving as active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared in the same manner (as the para above).

The following tables provide a comparison of promotion selection rates for officers considered for promotion from both within and below the promotion zone who are serving as active component advisors to units of the Selected Reserve of the Ready Reserve against the promotion selection rates for other officers considered for promotion from within and below the promotion zone in the same pay grade and same competitive category. Data summarizes results of the FY95 Major and Lieutenant Colonel selection boards:

FY 95 MAJOR TO LIEUTENANT COLONEL RESULTS

	<u>AC/RC*</u>	<u>ARMY**</u>
PRIMARY ZONE	37.1%	61.0%
BELOW ZONE	0.0%	5.7%

FY 95 CAPTAIN TO MAJOR RESULTS

	<u>AC/RC*</u>	<u>ARMY**</u>
PRIMARY ZONE	65.6%	73.2%
BELOW ZONE	4.4%	4.9%

*AC/RC=ACTIVE COMPONENT OFFICERS SERVING IN RESERVE COMPONENT ASSIGNMENTS AT TIME OF CONSIDERATION

**ARMY=ACTIVE COMPONENT OFFICERS NOT SERVING IN RESERVE COMPONENT ASSIGNMENTS AT THE TIME OF CONSIDERATION

Section 521(b):

(1) The number and percentage of officers with at least two years of active-duty before becoming a member of the Army National Guard or the U.S. Army Reserve Selected Reserve units.

	<u>NUMBER</u>	<u>%</u>
ARMY NATIONAL GUARD	21,509	49.8%
U.S. ARMY RESERVE	21,623	53.8%

(2) The number and percentage of enlisted personnel with at least two years of active-duty before becoming a member of the Army National Guard or the U.S. Army Reserve Selected Reserve units.

	<u>NUMBER</u>	<u>%</u>
ARMY NATIONAL GUARD	169,518	51.1%
U.S. ARMY RESERVE	76,738	40.6%

(3) The number of officers who are graduates of one of the service academies and were released from active duty before the completion of their active-duty service obligation: 446 officers who were graduates of one of the service academies were released from active duty before they completed their active duty service obligation. Of those officers --

(A) the number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA: 223 officers of the 446 academy graduates are now serving as members of the Selected Reserve.

(B) the number for whom waivers were granted by the Secretary under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver: Of the remaining 223 officers, 186 received VERRP releases and the remaining 37 received waivers for compassionate/hardship reasons.

(4) The number of officers who were commissioned as distinguished Reserve Officers' Training Corps graduates and were released from active duty before the completion of their active-duty service obligation: 63 officers who were commissioned as Distinguished Reserve Officers' Training Corps Graduates were released from active duty before they completed their active duty service obligation. Of those officers --

(A) the number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA: 36 officers out of the 63 graduates are now serving in the Selected Reserve.

(B) the number for whom waivers were granted by the Secretary under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver: Of the remaining 27 officers, 17 received VERRP releases, 9 received waivers for compassionate/hardship reasons, and one was non-select to captain.

(5) The number of officers who are graduates of the Reserve Officers' Training Corps program and who are performing their minimum period of obligated service in accordance with section 1112(b) of ANGCRRA by a combination of (A) two years of active duty, and (B) such additional period of service as is necessary to complete the remainder of such obligation served in the National Guard and, of those officers, the number for whom permission to perform their minimum period of obligated service in accordance with that section was granted during the preceding fiscal year. 145 ROTC graduates were released after serving a minimum of two years active duty. Effective FY95, the Army initiated a program to insure these officers have a letter of acceptance from a National Guard or Army Reserve unit prior to release from Active Duty.

6) The number of officers for whom recommendations were made during the preceding fiscal year for a unit vacancy promotion to a grade above first lieutenant and, of those recommendations, the number and percentage that were concurred in by an active duty officer under section 1113(a) of ANGCRRRA, shown separately for each of the three categories of officers set forth in section 1113(b) of ANGCRRRA:

ARMY NATIONAL GUARD

Promotions to fill unit vacancies for officers previously selected for promotion by the Department of the Army (DA) mandatory promotion board were not forwarded for review by an active duty officer. Many of the officers promoted in the specified units in FY95 had been previously selected by the DA mandatory boards.

In the Army National Guard, FY95, 154 recommended unit vacancy promotions were forwarded to the associated active duty unit commanders for concurrence/non-concurrence. Of those recommended, 144 were received from the active duty commander for a 93.5% concurrence rate. The balance of 10 officers are pending review in Alaska.

U.S. ARMY RESERVE

During FY95, 90 officers were recommended for a unit vacancy promotion. Of these 16 were from Contingency Force Pool (CFP) units and 74 were from other units. All recommendations were concurred with by the boards.

(7) The number of waivers during the preceding fiscal year under section 1114(a) of ANGCRRRA of any standard prescribed by the Secretary establishing a military education requirement for noncommissioned officers and the reason for each such waiver. In the ARNG, no waivers were reported. In the USAR, 12 waivers were granted. All were military operational necessities.

(8) The number and distribution by grade, shown for each State, of personnel in the initial entry training and nondeployability personnel accounting category established under 1115 of ANGCRRRA for members of the Army National Guard who have not completed the minimum training required for deployment or who are otherwise not available for deployment and a narrative summarizing procedures to be followed in FY95 to account for members of the USAR who have not completed the minimum training required for deployment or who are otherwise not available for deployment:

NATIONAL GUARD

16,552 are awaiting or in Initial Entry Training
 3,228 are pending medical evaluation
 2,668 are for other reasons (Family Care Plan, Sole Surviving Family Member, Due HIV test, Require Panorex, etc.)
 22,448 total non-deployable

Information by grade and state is maintained by National Guard Bureau.

ARMY RESERVE

The number and distribution of USAR soldiers in initial entry training and other non-deployable personnel accounting status is now being maintained by ARCOM/GOCOM. The total number of non-deployables in the USAR is 33,698.

(9) The number of members of the Army National Guard, shown for each State, that were discharged during the previous fiscal year pursuant to 1115(c)(1) of ANGCRRA for not completing the minimum training required for deployment within 24 months after entering the National Guard and a narrative summarizing procedures to be followed in FY95 for discharging members of the USAR who have not completed the minimum training required for deployment within 24 months of entering the USAR.

NATIONAL GUARD. None

ARMY RESERVE

Completion of minimum training requirements will be monitored through quarterly SIDPERS-USAR rosters that identify those USAR soldiers whose record does not indicate their military education requirements in accordance with regulatory guidelines.

Specific procedures for discharging officers and enlisted personnel who fail to meet requirements within 24 months are maintained by OCAR.

(10) The number of waivers, shown for each State, that were granted by the Secretary during the previous fiscal year under section 1115(c)(2) of ANGCRRA of the requirement in section 1115(c)(1) of ANGCRRA described in paragraph (9), together with the reason for each waiver. Account was fully implemented in July, 1994. During FY95, no waivers were granted.

(11) The number of Army National Guard members, shown for each State, and the number of US Army Reserve members shown by each ARCOM/GOCOM, who were screened during the preceding fiscal year to determine whether they meet minimum physical profile standards required for deployment and, of those members—

(A) the number and percentage who did not meet minimum physical profile standards required for deployment: 246,022 members of the ARNG were screened and 6,754 (2.8%) did not meet standards for deployment. 21,433 members of the USAR were screened and 29 (0.1%) did not meet minimum physical profile standards required for deployment.

(B) the number and percentage who were transferred pursuant to section 1116 of ANGCRRA to the personnel accounting category described in paragraph (8): 4,347 or 1.8% of those ARNG members identified were transferred to the non-deployable account.

864, or 4%, of those USAR members identified were transferred to the non-deployable account.

(12) The number of members, and the percentage total membership, of the Army National Guard, shown for each State, and for the U.S. Army reserve shown by each Army Reserve Command/General Officer Command, who underwent a medical screening during the previous fiscal year as provided in section 1117 of ANGCRRA. During FY95, 246,022 or 65.6% of Army National Guard members underwent medical screening. During FY95, 21,440, or 9.5%, of USAR members underwent medical screening.

(13) The number of members, and the percentage of the total membership, of the Army National Guard, shown for each State, and the number of members, and the percentage of the total membership, of the U.S. Army Reserve shown for each ARCOM/GOCOM, who underwent a dental screening during the previous fiscal year as provided in section 1117 of ANGCRRA. Funding for dental screening is programmed to begin in FY96.

The following tables provide detailed medical/dental screening information for on the ARNG (by state) and for the USAR (by commands) regarding paragraphs 12 and 13 above.

Army National Guard

ARNG TITLE XI MEDICAL/DENTAL SCREENING FOR FISCAL YEAR 1995

State	# Medical Screened	% Medical Screened	# Dental Screened	% Dental Screened
AK	13	.6%	252	11.7%
AL	4,153	23.4%	0	0%
AZ	815	19.8%	445	10.8%
AR	7,015	81.2%	3,284	38.0%
CA	10,858	61.0%	10,858	61.0%
CO	1,889	53.1%	1,889	53.1%
CT	2,575	63.7%	0	0%
DE	1,066	64.0%	946	57.0%
DC	318	18.0%	0	0%
FL	3,600	36.0%	0	0%
GA	3,608	39.0%	5,400	59.0%
GU	555	91.0%	0	0%
HI	1,277	34.8%	758	20.7%
IN	3,487	29.0%	1,083	9.0%
IL	8,640	90.0%	2,880	30.0%
IA	7,393	100.0%	0	0%
ID	0	0%	200	6%
KS	4,193	65.0%	4,193	65.0%
KY	5,865	90.0%	5,865	90.0%
LA	8,197	72.0%	1,005	10.0%
ME	2,259	96.5%	1,485	63.4%
MD	4,526	73.0%	3,038	60.0%
MA	6,500	70.0%	3,569	38.0%
MI	7,708	79.0%	0	0%
MN	7,650	85.0%	4,500	50.0%

State	# Medical Screened	% Medical Screened	# Dental Screened	% Dental Screened
MS	12,000	98.0%	0	0%
MO	2,196	30.0%		
MT	2,253	80.0%	0	0%
NE	3,120	90.7%	0	0%
NV	980	60.0%	0	0%
NH	1,479	87.0%	600	35.0%
NJ	3,343	47.4%	2,538	36.0%
NM	336	8.5%	336	8.5%
NY	5,000	41.7%	1,000	8.4%
NC	10,500	95.5%	0	0%
ND	3,100	90.0%	1,700	50.0%
OH	607	5.7%	0	0%
OK	5,997	83.0%	2,020	28.0%
OR	361	5.6%	737	11.5%
PA	17,193	98.9%	3,473	19.9%
PR	8,480	97.7%	8,480	97.7%
RI	1,478	60.0%	1,478	60.0%
SC	9,684	85.0%	0	0%
SD	3,067	90.0%	1,394	41.3%
TN	9,500	78.0%	0	0%
TX	17,706	97.0%		
UT	3,902	77.0%	480	9.4%
VT	1,568	45.7%	0	0%
VI	319	39.0%	0	0%
VA	6,800	90.5%	150	2.0%
WA	1,237	22.0%	0	0%
WV	2,990	90.0%	997	30.0%
WI	6,247	79.7%	2,800	35.7%
WY	1,018	65.0%	799	51.0%
TOTAL	246,022	65.6%	84,232	22.5%

*NOTE: Based on ARNG total end strength of 374,930

ARNG TITLE XI MEDICAL NONDEPLOYABLE STATUS FOR FISCAL YEAR 1995

State	# Medical Screened	# Not Deployable	% Not Deployable	# Transferred-NDPA	% Transferred-NDPA
AL	4,153	71	1.7%	0	0%
AK	13				
AZ	815	1	.1%	0	0%
AR	7,015	138	2.0%	0	0%
CA	10,858	763	7.0%	763	4.0%
CO	1,889	7	.4%	0	0%
CT	2,575				
DE	1,066	14	1.3%	0	0%
DC	318				
FL	3,600	119	3.3%	119	1.06%
GA	3,608	554	15.3%	554	6.0%
GU	555	31	5.5%	31	5.0%
HI	1,277	58	4.5%	0	0%
IN	3,487	10	.3%	0	0%
IL	8,640	23	.3%	0	0%
IA	7,393	163	2.2%	113	1.5%
ID	0				
KS	4,193				
KY	5,865	117	2.1%	117	2.1%
LA	8,197	72	1.0%	35	.3%
ME	2,259				
MD	4,526	26	.6%	0	0%
MA	6,500	9	.1%	0	0%
MI	7,708	772	10%	54	7.5%
MN	7,650			4	.04%
MS	12,000	1,933	16.1%	1,933	16.1%
MO	2,196	1	.05%	1	.05%

State	# Medical Screened	# Not Deployable	% Not Deployable	# Transferred-NDPA	% Transferred-NDPA
MT	2,253	17	.1%	0	0%
NE	3,120				
NV	980				
NH	1,479	30	2.0%	0	0%
NJ	3,343	75	2.2%	0	0%
NM	336				
NY	5,000				
NC	10,500	2	.02%	0	0%
ND	3,100	7	.2%	0	0%
OH	607	19	1.2%	19	1.2%
OK	5,997	557	9.0%	557	9.0%
OR	361	6	2.0%	0	0%
PA	17,193	51	3.0%	12	1.0%
PR	8,480				
RI	1,478	2	.08%		
SC	9,684	75	.8%	6	.1%
SD	3,067	3	.1%	0	0%
TN	9,500	27	.3%	2	.1%
TX	17,706	647	.4%	0	0%
UT	3,902	235	5.0%	0	0%
VT	1,568	1	.1%	0	0%
VI	319				
VA	6,800	22	.3%	0	0%
WA	1,237	0	0%	0	0%
WV	2,990	3	.1%	3	.1%
WI	6,247	69	.1%	0	0%
WY	1,018	24	2.5%	24	2.5%
TOTA	246,022	6,754	2.8%	4347	1.8%

* NOTE: Based on ARNG total end strength of 374,930.

U.S. ARMY RESERVE

MEMBERS MEDICALLY SCREENED IN FY 95 PER SEC 1117

ARCO	TOTAL ASSG END FY 95	TOTAL SCREENED FY95	PERCENTAGE TRANSFERRED
19 DIV (IT)	2,001	166	8.3%
63 ARCOM	5,401	438	8.1%
65 DIV (IT)	2,213	127	5.7%
70 DIV (IT)	3,402	168	4.9%
75 ARCOM	7,678	885	11.5%
76 ARCOM	8,945	777	8.7%
77 ARCOM	4,794	341	7.1%
78 ARCOM	1,812	89	4.9%
79 ARCOM	8,037	534	6.6%
80 ARCOM	6,239	591	9.5%
81 TRANS	1,469	189	12.9%
83 TAACOM	769	78	10.1%
84 TAACOM	3,387	563	16.6%
85 COSCOM	877	108	12.3%
86 SIGNAL	819	47	5.7%
87 TAACOM	773	31	4.0%
88 EN CMD	254	41	16.1%
89 EN CMD	614	47	7.7%
90 EN BDE	2,942	264	9.0%
91 ARCOM	8,601	1,225	14.2%
94 ARCOM	5,011	459	9.2%
95 DIV (IT)	1,889	150	7.9%
96 DIV EX	1,784	100	5.6%
97 DIV (IT)	2,348	184	7.8%
98 ARCOM	13,514	1,528	11.3%
99 DIV EX	1,930	126	6.5%
100 ARCOM	9,331	671	7.2%
102 DIV (IT)	2,544	140	5.5%
104 MED BDE	4,299	240	5.6%
108 ARCOM	10,124	693	6.8%
120 ARCOM	5,539	734	13.3%
121 DIV (IT)	2,696	185	6.9%
122 DIV EX	2,201	150	6.8%
123 ARCOM	8,606	635	7.4%
124 DIV EX	2,122	231	10.9%
125 ARCOM	14,711	1,400	9.5%
143 ARCOM	8,204	683	8.3%
310 ARCOM	8,541	813	9.5%
311 DIV EX	1,722	131	7.6%
335 ARCOM	7,002	1,119	16.0%
377 DIV (IT)	2,533	250	9.9%
412 ARCOM	6,584	626	9.5%

416	ARCOM	8,196	875	10.7%
420	DIV (IT)	2,105	229	10.9%
807	ARCOM	8,594	1,084	12.6%
	USAPAC	3,129	268	8.6%
	USASOC	8,348	1,027	12.3%
TOTAL:		224,634	21,440	9.5%

(14) The number of members, and the percentage of the total membership, of the Army National Guard, shown for each State, and the number of members, and the percentage of total Selected Reserve unit membership, of the U.S. Army Reserve, shown for each ARCOM/GOCOM, over the age of 40 who underwent a full physical examination during the previous fiscal year for purposes of section 1117 of ANGCRRRA. The over 40 population of the Army National Guard is 91,825, or 21% of the total membership. Of the over 40 population, 31,901 (34.7%) received full physical exams during FY95. By state data is maintained by National Guard Bureau.

The over 40 population of the U.S. Army Reserve is 51,982, or 24% of the total membership. Of the over 40 population, 3,637 (7%) received full physical exams during FY95. ARCOM/GOCOM data is maintained by Office, Chief Army Reserve.

(15) The number of units of the Army National Guard, and of the U.S. Army Reserve, that are scheduled for early deployment in the event of a mobilization and, of those units, the number that are dental ready for deployment in accordance with section 1118 of ANGCRRRA. 44 CFP 1 and 2 Army National Guard units are scheduled for early deployment. 659 U.S. Army Reserve units are scheduled for early deployment. Dental screening and treatment funding is programmed to begin FY96. (Of the 44 ARNG CFP 1 and 2 units, 19 were dental ready at the end of FY95.)

(16) The estimated post-mobilization training time for each Army National Guard combat and CFP unit, and U.S. Army Reserve CFP unit, and a description, displayed in broad categories and by State for Army National Guard units, and by the ARCOM/GOCOM for U.S. Army Reserve units, of what training would need to be accomplished for Army National Guard combat and CFP units, and U.S. Army Reserve units, in a post-mobilization period for purposes of section 1119 of ANGCRRRA. Initiatives continue to ensure Reserve Component post-mobilization training is completed adequately in the minimum amount of time necessary.

ARNG Divisions. FORSCOM has established priorities for support to early deploying and high priority units. The ARNG divisions are not sourced against either of the Major Regional Contingencies and are at the end of the deployment list in the event of major conflict. The current ARNG initiative to restructure the divisions will obviously impact their future status. For the present, the divisions have little expectation for dedicated AC support outside the assistance that is available from the 10 man Field Training Group of Title XI personnel that cover the staff and assist the divisions in lane training efforts. In addition, the consensus is that the ARNG divisions can assume the mission of providing OPFOR for RC units to include the Enhanced Brigades and FSP units. FORSCOM continues to examine the requirement to determine just how much OPFOR capability will be necessary to support both premobilization and postmobilization training focused on high priority units. Once the requirements are identified, FORSCOM, in conjunction with NGB will work to determine the impact on the divisions.

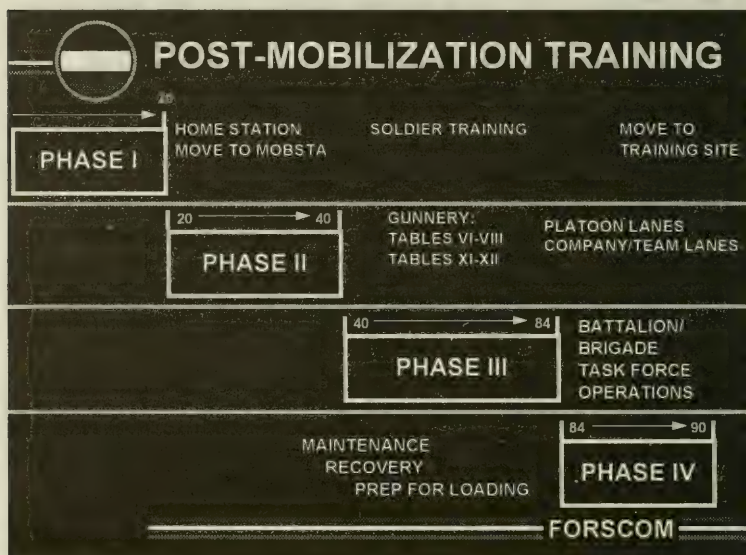
CFP 1-4 Units

Review of ORE data over the past year has shown some improvement in the readiness of CFP units, influenced by the AC associated unit that has been assigned as sponsor. This is particularly evident

in those units supported by Resident Training Detachments or Regional Training Teams composed of Title VII personnel fielded in the FY92/93 time frame. These quality soldiers continue to make a difference and are dedicated to the support of approximately 50% of the units in support packages 1-4. FORSCOM is redesigning the contingency force into Force Support Packages 1 and 2 to replace the CFP. As many of the former CFP units as possible will be carried forward into the FSP, but there will be some changes. Also, it is anticipated that some adjustment in the support structure will result. As the GFRE continues to be fielded, improvement in these high priority units will continue.

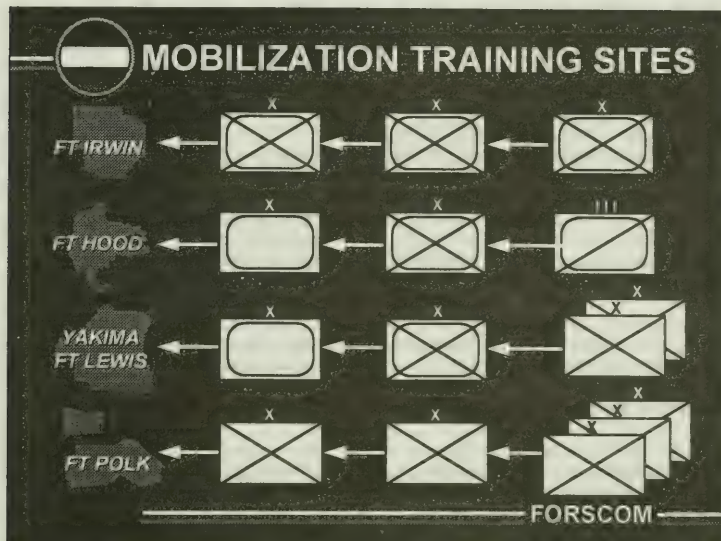
Enhanced Brigades

Initiatives continue to ensure Enhanced Brigades are prepared to deploy within 90 days of mobilization. FORSCOM/National Guard Bureau Regulation 350-2 and FORSCOM Commander's Pre-Mobilization Training Guidance Memorandum, dated 1 December 1995, remain the guideposts for Enhanced Brigade training in the near term. Specific data regarding the training requirements of the individual Enhanced Brigades is maintained by Directorate of Operations (G-3), Forces Command. The following diagram depicts the Post-Mobilization Training phases of the ARNG Enhanced Brigades.



- THIS DIAGRAM DISPLAYS THE COMPOSITION AND SEQUENCE OF THE ENHANCED BRIGADE POST-MOBILIZATION TRAINING PLAN. IT ENCOMPASSES FOUR PHASES AND WILL TAKE 90 DAYS.
- THE PLAN REALIZES A REDUCTION IN THE TIMELINES STATED BY RAND. THE REASONS FOR 90 DAYS INCLUDE, BUT ARE NOT LIMITED TO, TWO ENHANCEMENTS:
 - THE ENHANCED AT FOR EVERY BRIGADE EVERY YEAR WILL IMPROVE PRE-MOBILIZATION TRAINING READINESS - WHICH TRANSFERS TO BETTER AND FASTER POST-MOBILIZATION TRAINING.
 - ADVANCING THE AT IS THE EQUIVALENT OF 14 TO 21 DAYS OF FOUND ADDITIONAL TRAINING TIME.

The following diagram demonstrates how ARNG Enhanced Brigades would flow into the various post-mobilization training sites.



- THIS DIAGRAM DEPICTS HOW UNITS WOULD FLOW INTO THE NUMBER OF HEAVY ENHANCED BRIGADE POST-MOBILIZATION TRAINING SITES RECOMMENDED BY RAND (3), AND LIGHT ENHANCED BRIGADE SITE.
- THE NATIONAL TRAINING CENTER, AT FORT IRWIN, WOULD TRAIN THREE MECHANIZED ENHANCED BRIGADES.
- FORT HOOD WOULD BE USED TO TRAIN THREE HEAVIES
- ENHANCED BRIGADES HOME-STATIONED IN THE NORTHWEST, NEAR I CORPS, AS WELL AS THE 29TH HAWAII, WOULD TRAIN AT YAKIMA.
- THE LIGHT ENHANCED BRIGADES (EXCEPT FOR THE 41ST IN OREGON AND 29TH IN HAWAII) WOULD GO TO THE JOINT READINESS TRAINING CENTER, TO MRC REQUIREMENTS.

(17) A description of the measures taken during the preceding fiscal year to comply with the requirement in section 1120 of ANGCRRRA to expand the use of simulations, simulators, and advanced training devices and technologies for members and units of the Army National Guard and the U.S. Army Reserve. The ARNG has continued to incorporate simulation into individual, unit, and school house training. The use of Army Training Battle Simulation System (ARTBASS), Training Set, Fire Observer (TSFO), maintenance trainers, and Conduct of Fire Trainer (COFT) remains a cornerstone of ARNG training that increases individual and unit readiness.

The use of standardized, multi-echelon training exercises, developed by the ARNG, provides the ARNG with the opportunity to train at the level organized with virtual and constructive simulations using the Simulation Network (SIMNET) and JANUS.

The ARNG is aggressively using and expanding distance learning as a means to train. The addition of hardware, software, and an integrated strategy now provides the ARNG with a method to distribute training to a large geographic area.

In FY95, the ARNG started fielding the Abrams-Fullcrew Interactive Simulation Trainer (A-FIST), the Guard Armory Device Fullcrew Interactive Simulation Trainer II (GUARDFIST II), and the Engagement Skills Trainer (EST) to ARNG units.

Limited funding has constrained ARNG efforts to increase the use of simulations, simulators, and advanced technology to support individual and unit training.

(18) Summary tables of unit readiness, shown for each State for Army National Guard units, and for each ARCOM/GOCOM for the U.S. Army Reserve units, and drawn from the unit readiness rating system as required by section 1121 of ANGCRRA, including the personnel readiness rating information and the equipment readiness assessment information required by that section, together with—

(A) explanations of the information shown in the table: Classified tables have been developed with detailed narrative analysis of personnel and equipment readiness trends indicated since implementation of the January, 1994, revision to Army Regulation 220-1 on Unit Status Reporting. They are maintained by the Office of the Deputy Chief of Staff for Operations and Plans (DAMO-TRO).

(B) based on the information shown in the tables, the Secretary's overall assessment of the deployability of units of the Army National Guard, and U.S. Army Reserve, including a discussion of personnel deficiencies and equipment shortfalls in accordance with such section 1121: The classified overall assessment of the deployability of ARNG combat units, and CFP units of both Reserve Components is maintained by the Office of the Deputy Chief of Staff for Operations and Plans (DAMO-TRO). The Director of the Army National Guard has effectively managed the readiness improvement of high priority Enhanced Brigade and Contingency Force Pool units through intensive management under the Project Standard Bearer program. A similar and equally effective program, PRIME, is managed by the Chief, Army Reserve.

(19) Summary tables, shown for each State, for units of the Army National Guard and for each ARCOM/GOCOM for units of the U.S. Army Reserve, of the results of inspections of units of the Army National Guard by inspectors general or other commissioned officers of the Regular Army under the provisions of section 105 of title 32, together with explanations of the information shown in the tables, and including display of—

(A) the number of such inspections;

(B) identification of the entity conducting each inspection;

(C) the number of units inspected; and

(D) the overall results of such inspections, including the inspector's determination for each inspected unit of whether the unit met deployability standards and, for those units not meeting deployability standards, the reasons for such failure and the status of corrective actions. For purposes of this report data for Operational Readiness Evaluations will be provided on Enhanced

Brigade and CFP units of the Army National Guard and for CFP units of the U.S. Army Reserve. Training Assessment Model data will be provided to meet this reporting requirement for all other units of the Army National Guard and U.S. Army Reserve. Data on Army National Guard units will be reported by State and on U.S. Army Reserve units by Army Reserve Command/ General Officer Command. The ORE Program has been in existence for nearly three years, with modifications being made to the program in the last year. Specifically, Active Component units (which were evaluated at a AC:RC rate of 1:4.) were omitted from the program; likewise, the Enhanced Brigades in the ARNG were eliminated from these CONUSA evaluations. Forces Command Regulation 220-2 governs the ORE Program and the standards and checklist are used by all ORE Teams at the CONUSA. There may be differences in the actual execution of the ORE, but Army Standard on all phases is adhered to by the individual ORE teams. The statistical breakdown of units completing the CT portion of the ORE by branch is maintained at the Directorate of Operations (G-3), FORSCOM. (Note: At the time the majority of the OREs were rendered for FY 94-95, there were four CONUSA.)

a. **First U.S. Army:** During the FY 94-95 time frame, First U.S. Army conducted a total of 74 OREs on Company, Battery, or Detachment sized units from the CFP. Thirty-five evaluations were rendered on ARNG units; thirty-nine evaluations were rendered on USAR units.

(1) A total of 12 units (7 ARNG and 5 USAR) performed the Compliance Phase, consisting of Personnel Qualification Records, Personnel Mobilization Records, Training Management, Supply Management, and Maintenance Management of the ORE to Army Standards (data maintained at the Directorate of Operations, FORSCOM).

(2) Thirty-four of the 74 units in First U.S. Army Area completed the Collective Training Phase to Army Standards; 17 ARNG and 16 USAR units met Mission Essential Training standards (METL) for their particular type of units.

(3) The Individual Training Phase of the ORE consists of Common Task Training (CTT), Army Physical Fitness Test (APFT), Preventive Maintenance Checks System (PMCS) and Individual Weapons Qualification (not all units had ranges available to perform this particular area). Seven ARNG and eight USAR units completed the CTT portion of the Individual Phase to Army Standards; ten ARNG and ten USAR units completed the APFT to Army Standards; 13 ARNG and 17 USAR units completed the PMCS portion of the ORE to Army Standards; and 12 ARNG and 11 USAR units completed the Weapons Qualification portion of the ORE.

b. **Second U.S. Army:** During the FY 94-95 time frame, Second U.S. Army conducted a total of 40 OREs; 33 were on ARNG units and seven were on USAR units.

(1) A total of 11 units (11 ARNG and 0 USAR) performed the Compliance Phase (consisting of Personnel Qualification Records, Personnel Mobilization Records, Training Management, Supply Management, and Maintenance of the ORE to Army Standards (data maintained at the Directorate of Operations, FORSCOM).

(2) Thirteen of the 40 units in Second U.S. Army Area completed the Collective Training Phase to Army Standards; 12 ARNG and 1 USAR unit met Mission Essential Training standards (METL) for their particular type of units (data maintained at the Directorate of Operations, FORSCOM).

(3) The Individual Training Phase of the ORE consists of Common Task Training (CTT), Army Physical Fitness Test (APFT), Preventive Maintenance Checks System (PMCS) and Individual Weapons Qualification (not all units had ranges available to perform this particular area). Twelve ARNG and one USAR unit completed the CTT portion of the Individual Phase to Army Standards; 11 ARNG and 3 USAR units completed the APFT to Army Standards; 13 ARNG and 5 USAR units completed the PMCS portion of the ORE to Army Standards; and 17 ARNG and 2 USAR units completed the Weapons Qualification portion of the ORE.

c. **Fifth U.S. Army:** During the FY 94-95 time frame, Fifth U.S. Army conducted a total of 55 OREs; 37 were on ARNG units and 18 were on USAR units.

(1) A total of 14 units (14 ARNG and 0 USAR) performed the Compliance Phase consisting of Personnel Qualification Records, Personnel Mobilization Records, Training Management, Supply Management, and Maintenance Management of the ORE to Army Standards (data maintained at the Directorate of Operations, FORSCOM).

(2) Fifteen of the 55 units in Fifth U.S. Army Area completed the Collective Training Phase to Army Standards; 12 ARNG and 3 USAR unit met Mission Essential Training standards (METL) for their particular type of units (data maintained at the Directorate of Operations, FORSCOM).

(3) The Individual Training Phase of the ORE consists of Common Task Training (CTT), Army Physical Fitness Test (APFT), Preventive Maintenance Checks System (PMCS) and Individual Weapons Qualification (not all units had ranges available to perform this particular area). Twelve ARNG and 3 USAR unit completed the CTT portion of the Individual Phase to Army Standards; 7 ARNG and 8 USAR units completed the APFT to Army Standards; 14 ARNG and 8 USAR units completed the PMCS portion of the ORE to Army Standards; and 19 ARNG and 3 USAR units completed the Weapons Qualification portion of the ORE.

d. **Sixth U.S. Army:** During the FY 94-95 time frame, Sixth U.S. Army conducted a total of 23 OREs; 20 were on ARNG units and 3 were on USAR units.

(1) A total of 14 units (14 ARNG and 0 USAR) performed the Compliance Phase consisting of Personnel Qualification Records, Personnel Mobilization Records, Training Management, Supply Management, and Maintenance Management the ORE to Army Standards (data maintained at the Directorate of Operations, FORSCOM).

(2) Fifteen of the 23 units in Sixth U.S. Army Area completed the Collective Training Phase to Army Standards; 12 ARNG and 3 USAR unit met Mission Essential Training standards (METL) for their particular type of units (data maintained at the Directorate of Operations, FORSCOM).

(3) The Individual Training Phase of the ORE consists of Common Task Training (CTT), Army Physical Fitness Test (APFT), Preventive Maintenance Checks System (PMCS) and Individual Weapons Qualification (not all units had ranges available to perform this particular area). Nine ARNG and two USAR unit completed the CTT portion of the Individual Phase to Army Standards; 10 ARNG and 2 USAR units completed the APFT to Army Standards; 14 ARNG and 1 USAR units completed the PMCS portion of the ORE to Army Standards; and 12 ARNG and 2 USAR units completed the Weapons Qualification portion of the ORE.

(20) A listing, for each Army National Guard combat and CFP, and the U.S. Army Reserve CFP unit, of the active-duty combat and other units associated with that Army National Guard and U.S. Army Reserve unit in accordance with section 1131(a) of ANGCRRA, shown by State for the Army National Guard and ARCOM/GOCOM for the U.S. Army Reserve: In April, 1994 the Secretary of the Army designated the Army National Guard Enhanced Brigades as the principal Reserve Component maneuver forces of the Army. Enhanced Brigade locations and Active Army training associations are shown below.

TRAINING ASSOCIATIONS

HEAVY BRIGADES

ARNG UNIT	STATE	AC UNIT
116 ARMOR	ID/MT	4TH ID(M)
155 ARMOR	MS	1ST CAV DIV
30 MECH	NC	3RDID(M)

LIGHT BRIGADES

ARNG UNIT	STATE	AC UNIT
27 IN	NY	10TH MTN DIV
29 IN	HI	25TH ID(L)
39 IN	AR	101ST AASLT(ABN)

48 MECH	GA	3RDID(M)	41 IN	OR	3/25 ID(L)
81 MECH	WA	3/2ND ID(M)	45 IN	OK	1ST CAV DIV
218 MECH	SC	1ST ID(M)	53 IN	FL	82ND ABN DIV
256 MECH	LA	4TH ID (M)	76 IN	IN	101 AASLT(ABN)

ARMORED CAVALRY REGIMENT

278TH ACR TN 3RD ACR

and to be accompanied, for each such National Guard and U.S. Army Reserve unit, by --

(A) the assessment of the commander of that associated active-duty unit of the manpower, equipment, and training resource requirements of that National Guard or U.S. Army Reserve unit in accordance with section 1131(b)(3) of ANGCRRRA. At the time of publication these assessments were under development. The completed assessments, likely to contain classified information will be maintained by the Directorate of Operations (G-3) FORSCOM.

and

(B) the results of the validation by the commander of that associated active-duty unit of the compatibility of that National Guard or U.S. Army Reserve unit with active duty forces in accordance with section 1131(b)(4) of ANGCRRRA. At the time of publication these assessments were under development. The completed assessments, likely to contain classified data and information, will be maintained by the Office of the Directorate of Operations (G-3) FORSCOM.

(21) A specification of the active-duty personnel assigned to units of the Selected Reserve pursuant to section 414(c) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (10 U.S.C. 261 note), shown (A) by State for the Army National Guard and ARCOM/GOCOM for the U.S. Army Reserve, (b) by rank of officers, warrant officers, and enlisted members assigned, and (c) by unit or other organizational entity of assignment.

In FY92, the National Defense Authorization Act (NDAA), section 414c, (10 U.S.C. 261 note) established the implementation of a Active Component (AC) Support to Reserve Component (RC) program. This is a two phase Congressionally mandated program. The first phase, the *Pilot Program* assigned 2,000 Active Duty personnel as full-time advisors to selected Army National Guard and Reserve Component Units. Personnel rotations for phase one FY94 and 95.

Phase two followed enactment of Sec 1132, Title XI, FY93, National Defense Authorization Act (NDAA). This expanded the dedicated AC support to RC by 3,000 active duty personnel by the end of FY97, bringing the total to 5,000 Congressionally mandated active duty personnel. Assignment of the next 3,000 active duty personnel began in FY95. All 3,000 Title XI personnel will be assigned by the end of FY97, bringing the total number of active duty personnel to 5,000.

The following table represents the number of active duty personnel, by rank, by state, assigned as of the end of FY95. Personnel are assigned on a geographic basis and many support multiple units from both the Army National Guard and/or the Army Reserve. Specification of personnel assigned by component supported is not possible.

GROUND FORCES READINESS ENHANCEMENT
END OF FY95

STATE	GRADE	ASSIGNED			
AL	E7	41	FL	E6	20
AL	E8	23	FL	E7	2
AL	O3	25	FL	E8	1
AL	O4	15	FL	W2	1
AL	O5	5	FL	W4	10
AL	O6	2	FL	O3	15
AL	W4	1	FL	O4	2
		112	FL	O5	44
			FL	E7	9
					107
AR	E8	31			
AR	E7	39	GA	E8	1
AR	E8	2	GA	E9	41
AR	E9	1	GA	O3	20
AR	O3	14	GA	O4	5
AR	O4	8	GA	O5	1
AR	O5	3	GA	O6	10
		98	GA	W2	5
					84
AZ	E7	4			
AZ	O3	4	HI	E7	5
AZ	O4	1	HI	O3	6
AZ	W2	1	HI	O4	1
		10	HI	O5	3
					15
CA	E6	4			
CA	E7	53	IA	E7	1
CA	E8	14	IA	O3	1
CA	O3	34	IA	W2	8
CA	O4	33			10
CA	O5	18			
CA	O6	3	ID	E7	2
CA	W2	2	ID	E8	1
CA	W4	5	ID	E9	14
		166	ID	O3	5
			ID	O4	1
CO	E5	4	ID	O5	3
CO	E6	3	ID	W2	1
CO	E7	13	ID	W4	21
CO	E8	1			48
CO	E9	2			
CO	O3	7			
CO	O4	8	IL	E7	7
CO	O5	3	IL	E8	9
CO	O6	1	IL	O3	12
CO	W4	3	IL	O4	2
		51	IL	O5	2
			IL	W4	15

IL	O4	2
IL	O5	2
IL	W4	15
		47
IN	E7	10
IN	E8	4
IN	O3	14
IN	O4	2
IN	O5	3
		33
KS	E4	3
KS	E5	1
KS	E6	20
KS	E7	4
KS	E8	26
KS	O3	32
KS	O4	13
KS	O5	1
KS	O6	4
		0
KY	E5	51
KY	E6	50
KY	E7	7
KY	E8	2
KY	E9	30
KY	O3	12
KY	O4	8
KY	O5	1
KY	O6	2
KY	W2	14
KY	W4	20
		207
LA	E7	1
LA	E8	2
LA	E9	22
LA	O3	8
LA	O4	1
LA	O5	5
LA	W2	2
LA	W4	19
		61
MA	E7	11
MA	E8	2
MA	E9	4
MA	O3	11
MA	O4	1

MA	O5	5
		34
MD	E5	3
MD	E6	36
MD	E7	5
MD	E8	1
MD	E9	13
MD	O3	11
MD	O4	5
MD	O5	2
MD	O6	6
MD	W4	8
		90
MI	E7	3
MI	E8	2
MI	O3	2
MI	O4	1
MI	O5	4
		7
MN	E6	15
MN	E7	1
MN	E8	5
MN	O3	4
MN	O4	1
MN	O5	1
MN	W2	2
MN	W4	21
		51
MO	E7	2
MO	E8	1
MO	E9	4
MO	O3	8
MO	O4	4
MO	O5	1
		20
MS	E6	15
MS	E7	1
MS	E8	23
MS	O3	7
MS	O4	1
MS	O5	5
MS	W2	2
MS	W4	1
		55

MT	E6	2
MT	E7	1
MT	E8	1
MT	E9	1
MT	O3	26
		31
NC	E6	22
NC	E7	6
NC	E8	15
NC	O3	17
NC	O4	2
NC	O5	1
NC	W4	1
		54
ND	E6	8
ND	E7	3
ND	O3	4
		15
NJ	E6	29
NJ	E7	6
NJ	E8	1
NJ	E9	13
NJ	O3	13
NJ	O4	7
NJ	O5	3
NJ	O6	4
		76
NM	E6	15
NM	E7	1
NM	E8	6
NM	O3	4
NM	O4	1
NM	O5	1
NM	W2	2
NM	W4	19
		49
NY	E6	24
NY	E7	6
NY	E8	3
NY	E9	11
NY	O3	15
NY	O4	3
NY	O5	1
NY	O6	3
		56

OH	E6	1
OH	E7	1
OH	O3	3
OH	W4	2
		7
OK	E6	25
OK	E7	3
OK	E8	9
OK	O3	13
OK	O4	1
OK	O5	5
OK	W2	2
OK	W4	6
		64
OR	E7	1
OR	E8	10
OR	O3	9
OR	O4	1
OR	O5	3
OR	W2	7
		31
PA	E6	39
PA	E7	6
PA	E8	1
PA	E9	14
PA	O3	10
PA	O4	1
PA	O5	1
PA	O6	10
		82
RQ	E7	4
RQ	E8	5
RQ	O3	6
RQ	O4	1
RQ	O5	1
		17
SC	E6	26
SC	E7	4
SC	E8	31
SC	O3	14
SC	O4	2
SC	O5	6
SC	W2	3
SC	W4	10
		96

SD	E7	6	VA	O4	17
SD	O3	2	VA	O5	1
SD	W2	2			186
		10			
TN	E7	1	WA	E5	86
TN	O3	6	WA	E6	79
TN	O4	4	WA	E7	12
		11	WA	E8	2
			WA	E9	60
TX	E5	6	WA	O3	26
TX	E6	78	WA	O4	10
TX	E7	12	WA	O5	1
TX	E8	4	WA	O6	2
TX	E9	40	WA	W2	9
TX	O3	34	WA	W4	5
TX	O4	15			292
TX	O5	5	WI	E5	3
TX	O6	5	WI	E6	25
TX	W2	10	WI	E7	3
TX	W4	22	WI	E8	1
		231	WI	E9	5
			WI	O3	12
UT	E7	3	WI	O4	3
UT	E8	1	WI	O5	1
UT	E9	8	WI	O6	2
UT	O3	4	WI	W4	1
UT	O4	1			56
UT	O6	1			
UT	W2	5	WV	E7	1
		23	WV	O4	1
					2
VA	E4	4			
VA	E5	9			
VA	E6	59			
VA	E7	40			
VA	E8	2			
VA	E9	18			
VA	O3	16			
			TOTAL		2845



AMERICA'S ARMY



"THE ARMY IS PEOPLE"

General Creighton Abrams

The CHAIRMAN. Thank you. Secretary Dalton.

STATEMENT OF JOHN DALTON, SECRETARY OF THE NAVY

Secretary DALTON. Mr. Chairman, Congressman Dellums, distinguished members of this committee, it is a privilege for me to be back for my third year to address you concerning the state of the Navy and Marine Corps. I must tell you that I am indeed very honored to sit here as Secretary of the Navy. Part of what makes my position so rewarding is I have the privilege of working with the finest Navy and Marine Corps team this country has ever known.

America's naval services are focused and efficient, and we are operating forward to protect America's interest around the world. Our forces are second to none, and I intend to keep it that way.

Since I have been Secretary, I have focused on four themes with a vision for the future. Those themes are readiness, technology, efficiency, and most important, people. The first theme I would like to discuss is readiness in the Department of the Navy.

When I had my confirmation hearing in July 1993, the Senators were most concerned about readiness. Several asked me about readiness of the Navy-Marine Corps. Some expressed deep concern that our Navy Department was not as ready as it should have been. Readiness may have been a real concern 3 years ago, and I certainly keep it in my sights today, but I believe we have addressed the issue effectively. I am confident that America is now getting a solid return on its investment in the Navy and Marine Corps. Here are two examples to emphasize that we are indeed ready.

Early last summer when Saddam Hussein moved some of his forces toward Kuwait, the Navy-Marine Corps team was right there. Within hours we had strike aircraft flying sorties. We were ready, we responded, we got the job done.

A more recent example of our readiness is Bosnia. The rescue of Capt. Scott O'Grady is a prime example. The Navy and Marine Forces were there on the scene when we needed them and they got the job done. Later that summer, American military leadership brought the warring factions to the peace table with precision delivery of air- and surface-launched weapons. The Theodore Roosevelt and America battle groups conducted air and Tomahawk strikes last September. They made the difference.

It is my job to ensure that the men and women of our Navy and Marine Corps are properly trained and ready to fight because that is what we are all in the business of doing; to fight and win our Nation's wars, and with our forward presence to prevent them. The bottom line is the Navy Department's readiness is where it should be.

My second theme for the Navy Department is technology. Technology isn't a goal in and of itself, but it is the single biggest input to our Department-wide priorities of innovation and modernization. Our posture statement and statutory report which has been delivered to you talk more about this.

Let me give you two examples of successful investments in emerging technologies. First, 5 years ago in the gulf war the world watched as our battleships, cruisers, destroyers, and submarines launched highly accurate Tomahawk cruise missiles against enemy

positions in Iraq. Tomahawk's performances exceeded all expectations in its first operational use, with an overall success rate of approximately 60 percent. We weren't satisfied with Tomahawk's success, and the Department had a vision to make that missile better.

The improved Tomahawk cruise missiles launched last summer into Bosnia had a better than 90 percent success rate. We took a great product and made it even better. That is the Navy Department standard of business, and it is exactly the kind of innovation and vision we must continue to emphasize in order to prepare the Navy and Marine Corps for the challenges 20 to 30 years from now.

A second successful investment in emerging technologies is our cooperative engagement capability, or CEC. Beginning with highly successful live firing tests in the summer of 1994 and continuing through a series of challenging demonstrations and exercises in the last year, CEC continues to exceed our most optimistic expectations.

Most recently, CEC was a key element in an advanced concept technology demonstration better known as Mountain Top, which took place in Hawaii last month. In Mountain Top the Navy proved that it could conduct surface-to-air engagements of cruise missiles while those threats are still located far beyond the ship's own radar horizon. The true significance of Mountain Top is that our service combatants will have the capability to provide effective air defense of forces ashore, debarkation ports and air fields against low-flying Tomahawk-like cruise missiles.

Secretary Perry has declared CEC the most significant technological development since stealth. Since Secretary Perry is considered the father of stealth, that is quite a statement coming from him.

Looking to the future, we have some important aircraft and ship programs in the works that indicate our commitment to the technology necessary to win the next war. One is the next generation of aircraft carrier, the CVX. I emphasize that X, because I don't know yet what that carrier will look like. We are spending the time, money, and creativity on research and development to make sure that we have the best aircraft carrier for the future.

And there are more programs all across the board, sea, air, land, and special forces requirements such as the Marine Corps V-22 Osprey, an aircraft program that we truly need and one that we have worked hard with this Congress to support. The Marines advanced amphibious assault vehicle, the Arleigh Burke DDG's, the LPD-17 program, initial concept planning for the arsenal ship and the surface combatant for the 21st century.

These are programs we will need for the challenges of the year 2015 and beyond. It is important that we invest in science and technology, that we invest in research and development to ensure that we have the right Navy-Marine Corps not just for today and tomorrow, but for the Navy and Marine Corps after next.

My third theme is efficiency. The Department is taking a hard look at what decisions we must make now, particularly in modernization and capital investment, to ensure the Navy and Marine Corps are prepared for the future. My written testimony covers this area in detail, but let me cite one area where our vision for the fu-

ture rests in changing the way things used to be done. That is acquisition reform.

The Navy and Marine Corps are learning to develop, build, and buy systems according to the most successful industry models. Just last fall in Norfolk, I hosted the first annual Department of the Navy Chief Executive Officer Conference where our acquisition leadership met with leading defense industry executives to map out our relationship for the future. We are breaking new ground in acquisition reform and becoming more innovative and productive in the process.

The first major acquisition reform success story is the F/A-18-E/F *Super Hornet*. It is a program where we have used a modern business approach to develop an aircraft that is ahead of time, on budget and underway. I am pleased to note that just 2 days ago Dr. Kaminski recognized the Navy Department with the first ever acquisition excellence award for the success of this project.

I am also pleased about the cost-effective way that we are approaching the joint strike fighter to meet the Navy, Marine Corps and Air Force needs of the future by the year 2008 and beyond. By combining forces and funding this project together, 80 percent of the avionics and technology will be common. We will end up with an airframe unique to each service, but one that can be produced for roughly \$10 billion less than if each service approached the buy on its own.

One final initiative is, I brought the leadership of the Marine Corps into the Pentagon. For the first time in history, the Commandant of the Marine Corps, his assistant and his leading staff operate in the Pentagon. Gen. Chuck Krulak's office is next to mine just as Adm. Mike Boorda's. We'll be a more cohesive team and more cost-effective as well.

These examples should tell you that there has, in fact, been a paradigm shift in the way we conduct business. We are more efficient, more innovative, and more productive.

Let me conclude by addressing the fourth theme, and my No. 1 priority, our people. We have the best people serving in the Navy and Marine Corps we have ever had. I served on active duty in the 1960's and in the Reserves in the early 1970's. We had good sailors and marines then, but in many ways they are so much better today. They are better educated, they are higher quality people with a tremendous interest in community service. Our primary personnel challenge is retaining these high quality men and women and recruiting the sailors that will follow.

Let me address both of these points. First, recruiting. We continue to face one of the toughest recruiting environments in the history of the All Volunteer Force. The market of recruitable 17- to 21-year-olds is one of the smallest and the propensity to enlist, although improving, is low and that works against us as well as for civilian personnel recruitment.

The Department is focused on the issue and in 1995 we met the challenge. Last year, we recruited roughly 60,000 sailors and 40,000 marines. This year and next we will continue to need approximately 100,000 men and women in order to remain at peak readiness. Diversity continues to be an important objective for our Navy-Marine Corps and the Department is making a greater effort

to recruit women and minorities; 97 percent of all Navy career fields and all Marine Corps units except infantry regiments and artillery and some separate ground combat battalions are now open to women. That is a significant change from just a few years ago and it signals greater opportunity for career advancements across the board.

The bottom line is that we will continue to recruit the very best men and women for our services, and I want to thank this committee for your support of this endeavor. Your help last year was particularly beneficial.

Second, the Department will continue every effort to retain the top quality personnel we now have on board and enhancing quality of life, including compensation and services, is crucial to this effort. As could be imagined, competitive pay and benefits is of great concern to our sailors and marines, housing allowances including BAQ and VHA rates and selective reenlistment bonus are important elements of our quality-of-life program and are effective retention tools.

Our quality-of-life programs and resources are designed to provide an equitable baseline of services to every sailor, marine, and family member. The Department is putting additional resources toward more and better housing, libraries, computer centers, and fitness facilities. Quality of life is the single most frequently questioned area during my many visits to ships, squadrons, and shore installation and it is an issue on which I will continue to work very closely with this committee.

In addition to our personnel successes, the Department has also faced some difficult issues particularly as we have continued the integration of women into the Navy and Marine Corps. The Navy Department is making significant strides in that regard. Obviously, cultural change presents a challenge. I am confident that we will meet that challenge and we will meet it with our core values of honor, courage, and commitment.

The Navy Department has hit patches of stormy water now and then throughout its history. It has at times endured critical scrutiny of insiders and outsiders alike. But it has attracted that scrutiny for the simple reason that our standards are so high, and it represents, not just in my view, but also in the public's, a touchstone of extraordinary integrity, character, and discipline.

My point is that the Navy and Marine Corps have always had a tradition of character so our efforts at reemphasizing the need for ethical leadership is not something new; it is a heritage. It is strong individual character that allows teamwork to flourish and ensures that our force is ready and capable to meet any challenge to America's interests.

Let me close by emphasizing that the Navy Department is indeed an organization for the future. The Department's programs, policies, and organizational changes are forward looking and in step with the rapidly changing challenges of our national security. The Navy and Marine Corps are on course and speed to meet these challenges and we are poised to remain the preeminent military force for decades to come.

In the last 2 weeks I, too, have had the privilege to visit our troops in the Mediterranean and Adriatic. I was aboard six ships,

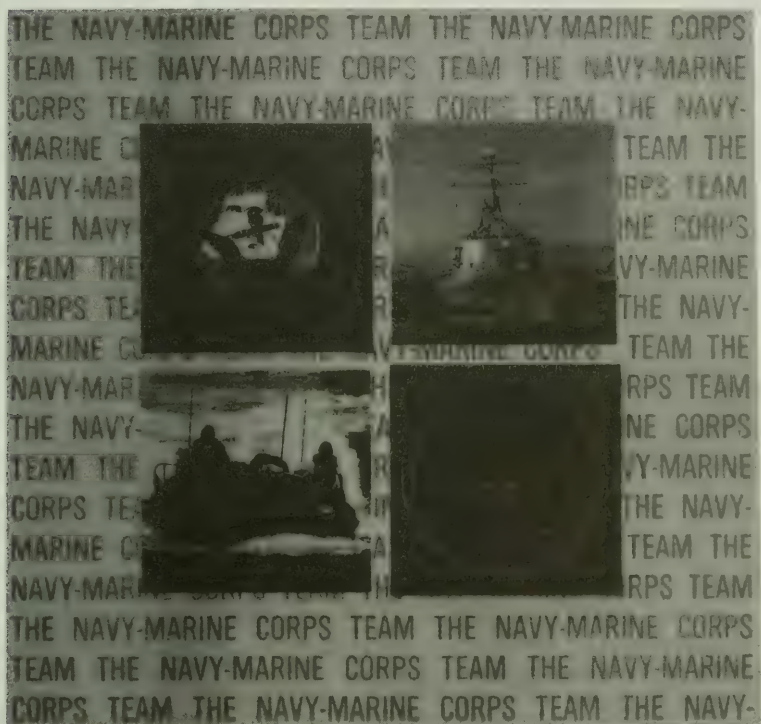
visited Naples and Aviano. I am very proud of these young men and women. They know their mission, their morale is high, they understand their objectives, and they are committed to doing a professional job, and I am awful proud to have the privilege to serve as their Secretary.

Thank you for the opportunity to appear before this committee. I look forward to responding to your questions.

[The prepared statement of Secretary Dalton follows:]

THE DEPARTMENT OF THE NAVY 1996 POSTURE STATEMENT

THE NAVY-MARINE CORPS TEAM



"Even with all the changes in the world, some basic facts endure...We are a maritime nation...As long as these facts remain true, we need naval forces that can dominate the sea, project power, and protect our interest."

*William J. Clinton
President of the United States*



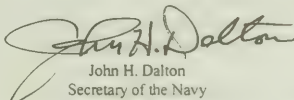
DEPARTMENT OF THE NAVY 1996 POSTURE STATEMENT

The Department of the Navy fills a critical role in defending America's interests around the world. Operations over the past year in Bosnia, the Arabian Gulf, Haiti, Sub-Saharan Africa, and along the Pacific Rim demonstrate the requirement for ready, capable, and forward deployed naval forces. Our goal for 1996 is to maintain a high state of readiness while completing the remainder of infrastructure and force right-sizing efforts. The Department of the Navy will continue aggressive programs to streamline our acquisition process and to develop promising technologies to ensure the viability of the Navy and Marine Corps well into the 21st Century.

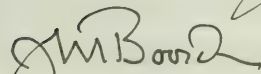
A critical element in the readiness of the Navy and Marine Corps Team is our people - the Sailors, Marines, and civilians who comprise our force. The Department of the Navy is committed to providing the best living and working conditions possible for our men and women and their families. Quality of life initiatives, such as advancement and retention incentives, housing improvements and morale, welfare, and recreation activities, are integral to our program for 1996. An enduring tradition of character and ethics that protects individual dignity and respect remains the foundation for our personnel training.

The Department of the Navy will continue to press forward in our modernization and recapitalization programs. Our strategy for these programs balances the current fiscal environment against requirements for a ready, capable force now and in the future. The watchword for 1996 is affordability. We will continue to look for efficiencies in our research, development and acquisition processes to ensure our next generation of systems and equipment are cost effective and capable.

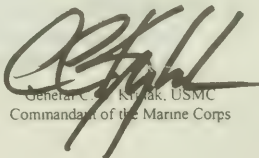
This posture statement explains the Department of the Navy's mission, our plan for the coming year and the priorities which guide our decision making. America is a maritime nation and requires the unique capabilities of the Navy-Marine Corps team. As you read through the following pages, you will see that, across the spectrum of peace and war, our Sailors and Marines are well prepared to respond to any mission ordered by the National Command Authorities. You will also see that in 1996 the Navy-Marine Corps team will continue to provide the premier forces from the sea that are adaptive, ready and forward deployed to support the nation's interests around the world.



John H. Dalton
Secretary of the Navy



Admiral J. M. Boorda, USN
Chief of Naval Operations



General C. C. Krulak, USMC
Commandant of the Marine Corps

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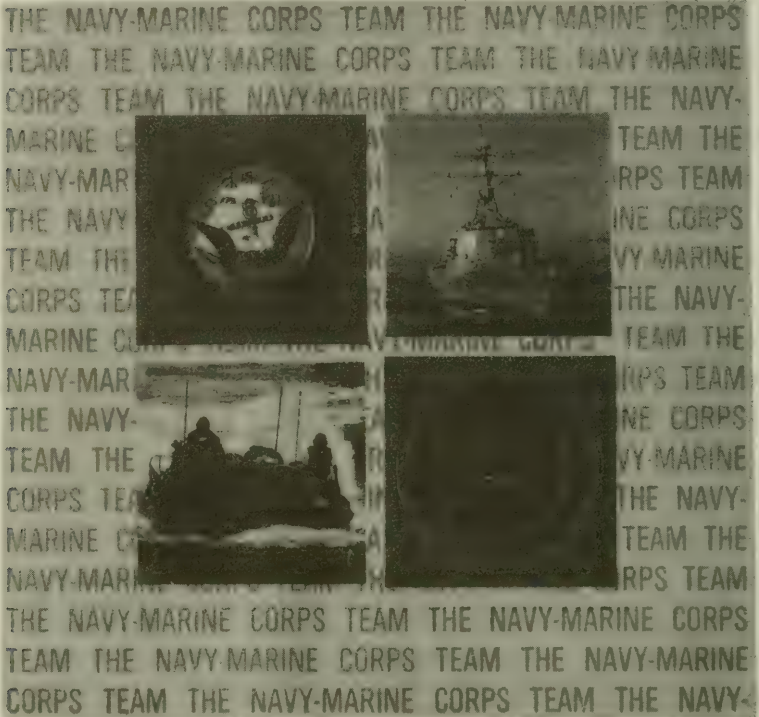
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THE DEPARTMENT OF THE NAVY 1996 POSTURE STATEMENT

THE NAVY-MARINE CORPS TEAM



I. OUR STRATEGY

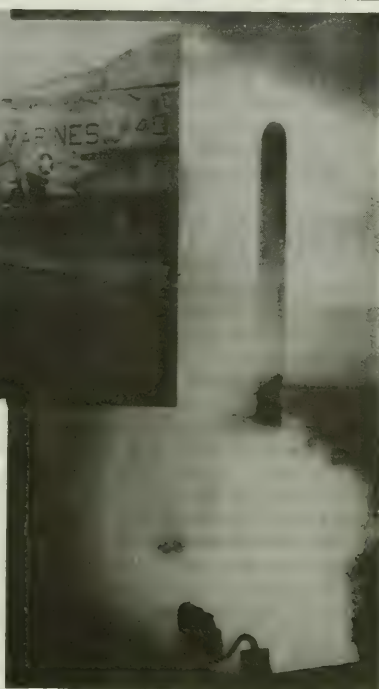


Marines return after the successful recovery of Captain Scott O'Grady, highlighting the versatility of Naval Forces

The events of the past year continue to highlight the Navy-Marine Corps team's key national security role. Sea-based, combat ready, forward deployed naval forces were involved in more than 15 major operations during 1995 — operations that required immediate responses in support of national interests. Through actions ranging from the quick Tomahawk strike by the USS Normandy (CG 60) against Bosnian-Serb aggression to the expeditious recovery of a downed F-16 pilot in Bosnia by the 24th Marine Expeditionary Unit (Special Operations Capable) [MEU (SOC)], strikes by Navy and Marine Corps aircraft in Bosnia, presence operations to deter Iraqi aggression and integrated air-land-sea support of Jordan in a time of need, naval forces continue to fulfill a vital operational role for which they are uniquely suited.

Forward...From the Sea, a Reality

Such success in meeting today's operational challenges can be attributed to thorough planning and



Tomahawks fired from USS Normandy (CG 60) within hours of arriving on station in support of Operation Deliberate Force

innovative execution, but it is the strategic underpinning — introduced three years ago in *From the Sea* and expanded in 1994 by *Forward...From the Sea* — which provides the foundation for this success. This common foundation, coupled with the teamwork built through a daily interaction of our naval services, explains why these expeditionary forces are frequently the theater commander's joint force of choice during the early phases of a crisis.

The Navy-Marine Corps team embodies unique core capabilities — forward presence, expedition-

ary readiness and on-scene power projection from the sea. These capabilities assume greater importance as U.S. land-based overseas presence declines or is inhibited by sovereignty restrictions. Operations of our forward deployed forces, highlighted by the diversion of the USS Theodore Roosevelt (CVN 71) and 11th MEU (SOC) from scheduled exercises to crisis in Jordan, demonstrate the flexibility and mobility of expeditionary forces. They further reaffirm the role of naval forward presence as a major pillar of our U.S. *National Security Strategy*.

During 1995, the Navy and Marine Corps maintained an average of more than 100 ships and 23,000 Marines forward deployed conducting presence missions, training and operations with military forces from more than 69 nations. Combined naval exercises provide other nations the opportunity to train with U.S. forces and to develop multilateral relationships that enhance regional stability, enabling us to form coalitions when required. Forward deployed amphibious ready groups with embarked MEU (SOC)s, and carrier battle groups give theater commanders a flexible, responsive force that can be positioned in potential trouble spots for extended periods as a visible symbol of U.S. commitment and resolve. Put simply, naval expeditionary forces are the right mix of forces, positioned in the right place, at the right time.

Creating the Environment for Change

With heavy operational demands, the Department of the Navy (DoN) challenges all of its activities to reengineer and reinvent themselves, emulating industry's best business practices. This challenge is not a one time effort; it is a continuous commitment to change. The DoN, guided by the President's National Performance Review, began identifying new ways of doing business aimed at effecting immediate change while laying the groundwork for long term change. Efficiencies gained from these initiatives are being transformed into resources for maintaining a ready, capable and

credible naval force. One example is our drive to further enhance the working relationship between the Navy and Marine Corps. This includes improved integration at the operational level — as the focus shifts to the littorals of the world — and a greater degree of integration in our peacetime planning efforts.

Closer Department of the Navy Integration

Operational integration continues to be highlighted by the successful integration of Marine F/A-18 and EA-6B squadrons into carrier air wings. In 1995, both Navy and Marine aircraft were launched from the USS Theodore Roosevelt (CVN 71) and the USS America (CV 66) to participate in the August air strikes against Bosnian-Serb forces.

The Department of the Navy continues to integrate the Navy and Marine Corps Program Objective Memorandum (POM) processes in order to better identify and articulate major Navy and Marine Corps issues early. To facilitate this integration, the two Services' programming databases are being merged into a common DoN database. Each Service will continue to develop its own submission to the DoN POM, but such early coordination in the process will articulate program requirements more effectively and allow for better use of DoN resources.

Another step toward a closer working relationship is the movement of Headquarters U.S. Marine Corps into the Pentagon. Phase One of this move was initiated in January 1996; the Commandant and selected staff members relocated their offices adjacent to those of the Secretary of the Navy and the Chief of Naval Operations. The continued move of the Headquarters staff will occur over the next several years.

From planning and programming through training and operations, greater integration within the DoN is enhancing the unique synergy already present within the Navy-Marine Corps team.

II. THE NATION NEEDS THE NAVY-MARINE CORPS TEAM

The Strategic Framework

With a full range of economic and security interests widely dispersed around the globe and across vast oceans, the United States is, and will remain, a maritime nation. Our strategy, as outlined in the *National Security Strategy* and *National Military Strategy*, is necessarily transoceanic and requires the five enduring roles of naval forces:

- Forward presence
- Power projection
- Sea control and maritime supremacy
- Strategic deterrence
- Strategic sealift

U.S. interests involve trade with partners located at the endpoints of "highways of the seas." These endpoints lie in the world's littoral regions, which coincide with the concentration of our vital interests in Europe, the Middle East, Latin America and particularly in the Pacific Rim and Indian Ocean—the area that is the fastest growing economically and demographically. The littorals provide homes to more than 75 percent of the world's population, locations for more than 80 percent of the world's capital cities and nearly all the major marketplaces of international trade. It is in our national interest, therefore, for the littorals of the world to remain stable. The Navy-Marine Corps team regularly influences events in the littorals from its sovereign combat capable bases at sea. Routinely operating in all the world's oceans, these combat credible naval expeditionary forces exert

"Forward presence demonstrates U.S. commitment, strengthens deterrence, and facilitates transition from peace to war. Naval forces are critical to our long term forward presence because of their flexible offshore stationing."

Gen Binford Peay, USA



USS Saipan (LHA 2) with 24th MEU (SOC) embarked conducting pre-deployment exercises

real influence and provide assurance to friends because real on-scene power still counts.

Forward Presence

Each service plays an important role in support of the *National Security Strategy of Engagement and Enlargement*. With respect to forward presence and power projection, the Army and Air Force maintain permanently stationed forces on the Korean Peninsula and in Europe. Although the Navy-Marine Corps team complements the other Services as part of an overall engagement strategy, it is unique in its ability to position credible combat power overseas without the consent or imposed limitations of foreign governments. Naval expeditionary forces operate from sea bases that allow unobtrusive presence across the full range of operations, from peacetime engagement and crisis response through major conflict.

Forward deployed and forward based naval forces are built to fight and win wars, but an equally important role is to help prevent conflict. During 1995, naval forces demonstrated their inherent

flexibility and deterrent value with their rapid response to Iraqi threats after the defection of senior Iraqi officials to Jordan. To support and encourage Jordanian leadership, the President directed the USS Theodore Roosevelt (CVN 71) to move from the Adriatic Sea to the eastern Mediterranean, within striking range of Jordan's border with Iraq. Additionally, the previously scheduled movement of the 24th MEU (SOC) into Aqaba was accelerated. These moves, along with the repositioning of Tomahawk-carrying surface combatants, clearly demonstrated U.S. resolve to protect a friend while underscoring the maneuverability and utility of unencumbered naval forces. Cause and effect are difficult to prove in such circumstances, but it is clear that Iraqi threats against Jordan went unfulfilled once the USS Theodore Roosevelt (CVN 71) moved closer to the scene.

Expeditionary Readiness

The term "expeditionary" captures the essence of U.S. national security strategy into the 21st Century — countering military threats overseas, not on our own shores. The Navy-Marine Corps team provides the nation a fully integrated air, land and sea combined arms force founded on expeditionary readiness, designed to be swiftly employed to confront threats at the source.

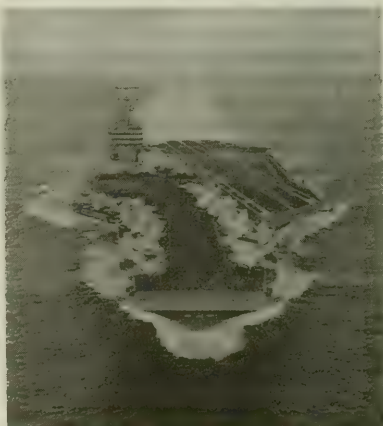
Naval expeditionary forces are uniquely positioned, trained and organized to accomplish a wide range of missions, including long range strike and early forcible entry to expedite the arrival of follow-on forces. Power projection is just one of the options available to naval expeditionary forces, which can move rapidly and easily with little or no shore infrastructure and go into action immediately upon arrival. They can do this because they carry their infrastructure on their backs or in the holds of ships. Naval expeditionary forces are tailored economical packages that can accomplish the mission without having to wait for additional assets or personnel. These self-reliant and self-sustaining forces are effective in the most austere environments, as Navy and Marine Corps units recently demonstrated in Bosnia and Somalia.

"Expeditionary forces are a cocked pistol, ready to fight Tuesday's war on Tuesday, with Tuesday's forces."

***LtGen Charles Wilhelm, USMC
June 1995***

On - Scene Power Projection From the Sea

Sized to provide staying power with maximum flexibility anywhere in the world, naval expeditionary forces can converge on a crisis with little warning — a capability that largely is already funded in our Operations and Maintenance account. Should deterrence fail, naval forces provide immediate, on-scene power projection. Armed with the most sophisticated weapons and mobile enough to react quickly, this combined-arms team can blunt an initial attack. Additionally, they are part of a globally integrated C4I and surveillance network that enables follow-on forces to "plug-in" quickly, should they be needed. This network provides surveillance data from all sources which permits naval forces to target and strike from a variety of land, sea and air platforms.



USS Abraham Lincoln (CVN 72) conducting operations in the Gulf of Oman.

III. THE TEAM IN ACTION

In 1995, naval forces were called upon to respond to significant contingencies around the world. Carrier battle groups (CVBGs) and amphibious ready groups (ARGs) with embarked MEU (SOC)s moved from crisis to crisis, as theater commanders called for their unique capabilities. Sea-based forces provided the preponderance of immediate response, but our land-based Marine expeditionary forces, maritime patrol squadrons, and maritime prepositioning forces also supported real-world operations, along with numerous joint and combined exercises.

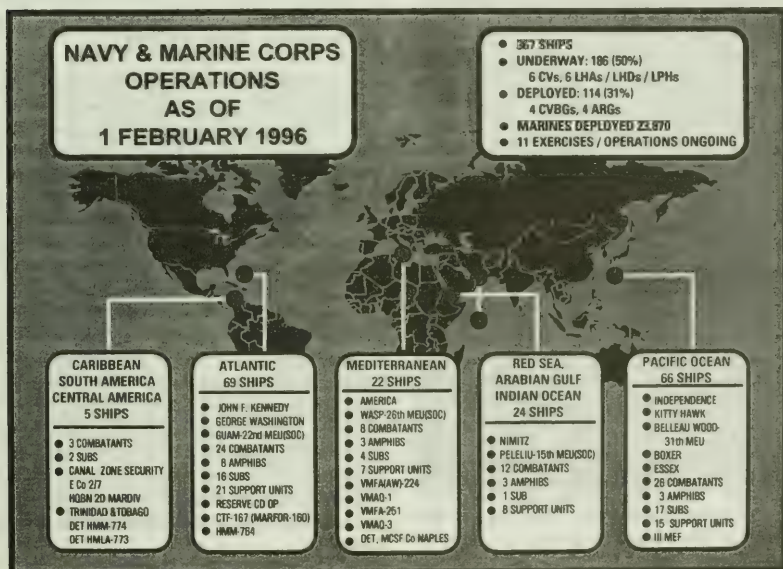
Summary of 1995 Navy-Marine Corps Operations

EUROPE

Bosnia: Operation Provide Promise (July 1992-present). This joint operation with the U.S. Air

Force, involving both naval carrier and land-based air, protected humanitarian relief efforts in besieged cities of the former Yugoslavia. Navy and Marine Corps aircraft, a Marine aerial refueling squadron, a military police unit, a Navy fleet hospital manned with both regular and reserve personnel and on-call Marines of the European theater's ARG/MEU (SOC) supplied vital support to United Nations forces.

Operation Deny Flight (April 1993-December 1995). Naval air forces — comprised of carrier-based air wings and shore-based Marine F/A-18D and EA-6B squadrons operating from Aviano, Italy — participated in a joint and combined operation to enforce a United Nations mandated no-fly zone in the airspace over the Republic of Bosnia-Herzegovina. The Navy-Marine Corps team also provided protective air support to the United Nations Protection Forces. Maritime patrol aircraft



equipped with electro-optical sensors supported overland imagery collection efforts by providing real-time still and full motion video imagery to ground commanders.

O'Grady Rescue (8 June 1995). In response to the downing of Basher 52 by hostile fire over Bosnia, the 24th MEU (SOC), operating from the USS Kearsage (LHD 3), was placed on an alert to conduct one of the special operations missions for which all MEU (SOC)s are trained and certified. Six days later, U.S. Air Force Captain Scott O'Grady contacted a USAF aircraft and, within hours of notification, Marines aboard two CH-53s, covered by AH-1W Cobra gunships and AV-8B Harriers, rescued the downed pilot. The special training process proved crucial during this fast moving mission, as the MEU (SOC) achieved the goal of 6-hour rapid response. The operation stands out as a textbook example of the crisis response capability of naval forces and highlights the value of the ARG/MEU (SOC).

Operation Deliberate Force (August-September 1995). In conjunction with U.S. Air Force units and NATO allies, the USS Theodore Roosevelt CVBG and shore-based Marine F/A-18Ds and EA-6Bs operating from Aviano, Italy conducted precision air strikes in Bosnia. In a seamless transition, the USS America CVBG arrived in theater, relieved the USS Theodore Roosevelt CVBG on station, and within 24 hours conducted strike operations with carrier based aircraft and tomahawk cruise missiles from USS Normandy (CG 60)



Navy Surface Combatants conducting maritime intercept operations in support of U.N. imposed sanctions

against Bosnian-Serb forces. This use of force was instrumental in bringing the warring factions back to the negotiating table.

Adriatic Sea: Operation Sharp Guard (June 1993-present). U.S. naval forces, including surface combatants, intelligence gathering attack submarines and regular and reserve maritime patrol aircraft, operated with combined NATO and Western European Union naval forces to block sea commerce to and from Serbia and Montenegro, along with weapon shipments intended for all of the republics of the former Yugoslavia. The long-term enforcement of these U.N. sanctions was an important factor in bringing the warring parties to the peace table in Dayton, Ohio.

Operation Joint Endeavor (December 1995-present). The European Command's ARG/MEU (SOC) was assigned as a theater reserve for NATO forces while a Marine Corps security force detachment provided security for NATO International Force headquarters in Sarajevo. Additionally, naval construction battalion personnel built several camps for the Army in Croatia and Bosnia.

Central and Eastern Europe: The Partnership For Peace (PFP) program was the centerpiece of NATO's strategic relationship with Central and Eastern Europe this year. Naval forces conducted three major PFP exercises with Eastern European nations. Part of our bilateral Military-to-Military Contacts Program included basic seamanship exercises and numerous familiarization visits with the naval forces of this region. Units from the Sixth Fleet, including assigned Marine expeditionary forces and the Coast Guard cutter USCGC Dallas (WHEC 716), conducted fleet and amphibious training exercises with forces from Romania, Ukraine, Bulgaria and Albania. A major exercise was also conducted in the Baltic with long-standing friends and newly independent nations' forces. Additionally, regular and reserve Navy and Marine Corps officers were involved with in-country military liaison teams and developed other programs to further naval contact with nations of the region.

SOUTHWEST ASIA

Kuwait: Operation Vigilant Sentinel (August-December 1995). Navy and Marine Corps combat forces and regular and reserve Military Sealift Command forces quickly responded to Iraqi threats to Jordan and Kuwait. Normal Middle East Force presence rapidly expanded as this crisis developed. In the initial stages, the USS Abraham Lincoln (CVN 72) and USS Independence (CV 62) battle groups and the 11th MEU (SOC) embarked in the USS New Orleans (LPH 11) amphibious ready group repositioned off the coast of Kuwait. Additionally, the USS Theodore Roosevelt (CVN 71) deployed to the Eastern Mediterranean. This naval task force rapidly planned and coordinated a contingency defense of Kuwait and Jordan. Within one day, Maritime Prepositioning Ship Squadron Two from Diego Garcia was underway with equipment for an additional 17,300-Marine combat force, while 1 MEF offload preparation party personnel deployed from Camp Pendleton. Throughout this crisis, naval aircraft made up the largest portion of U.S. strike aircraft in theater.

Iraq: Operation Southern Watch (1991-present). Naval forces continued to share responsibility with the U.S. Air Force for no-fly operations over Iraq in support of U.N. efforts to protect Iraqi minority populations. Naval operations included extensive Navy and Marine aircraft sorties from carriers deployed to the Persian Gulf.

Maritime Intercept Operations: Throughout 1995, surface combatants and maritime patrol aircraft continued to execute maritime interception operations in the Persian Gulf in support of U.N. sanctions against Iraq. These at-sea sanction operations, enacted five years earlier at the beginning of the Gulf War, were terminated in the Red Sea in the fall of 1994, but they continue in the Persian Gulf. By the end of 1995, surface combatants had conducted over 23,000 at-sea intercepts while simultaneously carrying out other forward presence missions.

CARIBBEAN

Haiti: United Nations Mission Haiti (April 1995-present). Marine linguists were provided to U.S. forces supporting the U.N. mission as the successful operations Uphold Democracy and Support Democracy came to a close and the U.S. passed control of Haitian nation building to the United Nations.

Cuba: Operation Sea Signal (August 1994-Present). The II Marine Expeditionary Force (II MEF) with reserve augmentation continued to support Joint Task Force 160 in handling, processing and providing security for more than 54,000 Cuban and Haitian migrants. The operation was completed in early 1996, closing out a year and a half of support.



Medical support was provided to all migrants during Operation Sea Signal

Operation Safe Passage (January-February 1995). The amphibious ships USS Austin (LPD 4) and USS LaMoure County (LST 1194) with II

MEF Marines and four anti-terrorist security teams onboard were deployed to transfer and provide security for Cubans from Panama to holding camps at Guantanamo Bay. Navy and Marine Corps forces remained in theater as a reserve for the U.S. Atlantic Command until all Cubans returned safely to Guantanamo Bay.

Counterdrug Operations: The Department of the Navy continues to support U.S. government efforts to reduce the supply of illicit drugs entering the country. Regular and Reserve Navy and Marine Corps aircraft, ships and unique sensors contributed to detection and monitoring missions in the transit zone. Naval forces also assisted the Coast Guard with interdiction operations and provided a wide range of domestic support that included training and the use of facilities, equipment and personnel. In addition, regular and reserve Marine Corps units provided operational support to the combatant Commanders-in-Chief, the Joint Interagency Task Force, Joint Task Force 6 and drug enforcement agencies — participating in 58 counterdrug missions along the southwest border and in the Caribbean.

Hurricane Marilyn: Navy units conducted numerous relief efforts for local communities affected by disastrous hurricanes in the Caribbean and the southeastern United States. As the focal point for relief efforts, Naval Station Roosevelt Roads in Puerto Rico was the base for disaster material staging and support. Naval station personnel also provided airlift for inter-island transport and helped officials survey the damaged areas. While Navy seabees helped repair damaged facilities, Navy divers surveyed and cleared navigational channels for St. Thomas and St. Croix.

RUSSIA

As a clear sign of improving relations, the United States and Russia no longer target each other with strategic nuclear weapons and have increased the scope and complexity of their combined military exercises. In August 1995, the two countries conducted Exercise Cooperation From The Sea in Hawaii executing both at-sea and amphibious training. This historic event marked the first time that the U.S. and Russia have conducted a bilateral military exercise in U.S. waters.



Expanding military to military contacts, U.S. and Russian Naval Officers meet during Exercise Cooperation from the Sea



USS ESSEX (LHD 2) with 13th MEU (SOC) exercising with Kuwaiti forces prior to responding for OPERATION UNITED SHIELD

NORTHEAST ASIA

Korea: Events in Korea remained relatively calm during 1995. Continuous naval forward presence was a key contributor to this region's stability. If events in Korea had required greater U.S. military presence, naval expeditionary forces were prepared to expand rapidly the theater commander's air, land and sea capabilities.

SOUTHEAST ASIA

Thailand/Vietnam: Operation Full Accounting (March-April 1995). Marines from III MEF continued to support ongoing joint task force efforts with helicopter lift in the identification and recovery of U.S. servicemen unaccounted for after the Vietnam War. Additionally, the annual combined U.S./Thai exercise, Cobra Gold, continued to reinforce the strategic interest we have in the region.

INDIAN OCEAN

Somalia: Operation United Shield (February-March 1995). As the humanitarian relief mission

came to an end, the Navy-Marine Corps team found itself in the world spotlight again as the USS Essex (LHD 2) amphibious ready group with the 13th MEU (SOC) embarked and USS Belleau Wood (LHA 3), with a special purpose Marine air-ground task force embarked, covered the withdrawal of U.N. troops from Somalia. Using early arriving naval forces, a Joint/Combined Task Force totaling 23 ships and 16,500 personnel was formed under the command of I MEF's commanding general and Navy Central Command in the region. Despite hazardous conditions, all personnel were safely evacuated with zero casualties. The Navy-Marine Corps team was, once again, the first to be called and the last to leave.

Freedom of Navigation Program

An essential element of U.S. foreign policy is ensuring free and safe transit through international waters and air space as a matter of legal right not contingent upon the approval of adjacent countries. Naval forces are critical tools in demonstrating transit rights under international law. In 1995, Navy ships and aircraft conducted numerous freedom of navigation operations in or through

areas where other nations have maintained sovereignty claims that contradict existing international agreements. Ratification of the U.N. Law of the Sea Convention, sent to the U.S. Senate in October 1994, is crucial to global acceptance of the legal norms that guarantee navigational and overflight freedoms. A stable oceans regime under the Convention will guarantee the ability of naval forces to support national interests *Forward . . . From the Sea.*

Major Joint/Combined Exercises

Joint and combined exercises form a cornerstone of U.S. engagement strategy. Forward presence forces promote regional stability by exercising routinely with military forces of other nations. This year naval forces participated in more than 130 combined exercises. Large scale annual exercises with our friends and allies proved particularly effective in promoting understanding, interoperability and laying the groundwork for future coalitions.

- The annual UNITAS deployment is a primary means of supporting regional stability in the Western Hemisphere. For five months each year, regular and reserve surface combatants and P-3 aircraft, a submarine and Marines embarked in an amphibious ship circumnavigate South America. At each stop, our naval forces exercise with the host nation's air, sea and land forces. These exercises generally provide the only opportunity each year for these Latin American nations to operate with U.S. forces; they commit a large portion of their military exercise budgets to UNITAS, which demonstrates our interest and resolve to cooperate in a region that otherwise would receive little U.S. military attention.

- Regional stability in Southeast Asia is supported by the Pacific Fleet's Cooperation Afloat Readiness and Training program, patterned after the UNITAS deployment. This program fosters cooperative engagement, coalition building, interoperability and training through the participation of U.S. naval forces in an annual series of





Naval cooperation is demonstrated during operations in the Baltic Sea, which include Russian ships sailing side-by-side with surface combatants from the U.S. and Baltic nations

bilateral exercises. The inaugural deployment occurred from May-July 1995 and involved a U.S. force made up of two frigates, a submarine and an amphibious ship with embarked Marines and special forces. Exercises included military forces from Singapore, Thailand, Malaysia, Indonesia, the Philippines and Brunei.

- Exercise Cobra Gold is an annual event involving U.S./Thai military forces training in a large-scale land, air and sea joint/combined operation. U.S. Seventh Fleet ships and Marines from III MEF, including the 31st MEU are among the naval expeditionary forces that benefit from this annual exercise. Our participation enhances U.S./Thai military interoperability and provides clear evidence of continuing U.S. interest in the region.

- Exercise Ulchi Focus Lens, one of the largest combined command post exercises, involved staffs from all four Services as well as the Republic of Korea (ROK). Under direction of the Commander, Combined Forces Command/United Nations Command these forces exercise annually, focus-

ing on crisis response and transition from peacetime to war. Unique to this year's exercise was the initial testing of a Combined Marine Expeditionary Corps that comprised forces from I and III MEF and ROK Marines.

- The principal naval demonstration of U.S. interests in northern Europe is the annual Baltic Sea Operation, a three week exercise involving three U.S. surface combatants and military forces from almost all the countries in the Baltic region, including those from the former Soviet Union.

- The Navy continues to dedicate surface combatants as participants in each of two NATO led maritime forces: Standing Naval Forces Atlantic and Standing Naval Forces Mediterranean. During 1995, both of these forces contributed to the enforcement of the U.N. mandated embargo in the Adriatic. With the ongoing implementation of the Bosnian peace agreement, these forces may revert to their traditional role of peacetime regional engagement and interoperability.

IV. TOTAL FORCE INTEGRATION

Linchpin for Joint Operations

Our national strategy relies on the ability of each service to operate jointly, to ensure successful mission performance across the full range of military operations. Essential to the success of joint operations is the integration of all supporting arms. This is a capability inherent in naval expeditionary forces and is the basis on which joint air, ground and sea task forces can be built. Exercising and operating daily in an integrated fashion, the Navy and Marine Corps provide the theater commanders forces that are uniquely suited as the linchpin for joint operations.

First to Arrive, Last to Leave

Forward deployed naval expeditionary forces often are the closest to the scene of emerging crises. As a result, they can form the core of a joint force that contains crises and expedites the arrival or departure of follow-on forces. Such was the case again in 1995. In Operation Vigilant Sentinel, the USS Theodore Roosevelt (CVN 71) repositioned to respond to Iraqi threats and was ready to assume duties as the Joint Task Force Headquarters. In Operation United Shield, the 13th MEU (SOC), embarked in the USS Essex (LHD 2) amphibious ready group, formed the core of a Combined/Joint Task Force headed by I MEF's Commanding General, charged with covering the withdrawal of U.N. forces from Somalia.

Joint Task Force Headquarters

Future joint task force headquarters will be organized around the service component staff first on the scene that can work in the joint arena. As demonstrated repeatedly, working with and integrating the elements of air, land and sea has become second nature to naval expeditionary forces. They are ideally suited to function as a joint task force headquarters because they deploy in flexible, task-organized groups and possess a broad range of ca-



Joint Task Force United Shield Commander meets with UNOSOM officers in preparation for United Nations forces withdrawal

pabilities that cut across a wide variety of operations. In 1995, operations in Somalia and Guantanamo Bay, Cuba demonstrated this capability. In each case, Marine and Navy assets, with joint and other service component augmentation, manned and equipped the joint task force headquarters.

Working closely with regional Commanders-in-Chief and their component commanders, the Navy and Marine Corps are aggressively tailoring manning and training requirements to support the operation of a joint task force headquarters. As part of this initiative, the Commandant of the Marine Corps called for the establishment of a standing capability that can respond to emerging crises anywhere in the world. Navy numbered fleet commanders worldwide are ready to assume duties as Joint Force Task Group or Force commanders on short notice.

Equipment Interoperability

Naval expeditionary forces are outfitted with the

command and control links needed for joint operations. This naval C4I not only supports maritime and littoral operations, but also provides an expandable core infrastructure for joint C4I. This provides combatant Commanders-in-Chief (CinCs) and follow-on joint forces access to a common battlespace picture, quickly and seamlessly. With this common core, the Navy and Marine Corps also have a well defined basis and experience for multilateral operations with friends and allies.

New developments in naval C4I continue to enhance joint interoperability. The Joint Maritime Command Information System (JMCIS) forms the current basis for both ashore and afloat Copernicus C4I systems for the Navy and MAGTF C4I for the Marine Corps. In addition, the JMCIS core design is the baseline element within the Global Command and Control System, the CinCs' strategic level joint command system. Continued installation of the Contingency Tactical Air Planning System in aircraft carriers, command ships and in the Marine Tactical Air Command and Control systems will improve their ability to support a Joint Force Air Component Commander. The Marine Corps is buying equipment that will integrate fully with joint task forces ashore while ensuring connectivity to command and control nodes afloat. New systems such as the Digital Wideband Transmission System will allow Navy and Marine units afloat to extend telephone switching and computer circuits ashore as well as among afloat units.

Joint Training and Exercises

Carrier battle groups and amphibious ready groups with embarked MEU (SOC)s train to stay on the cutting edge of joint operations. Prior to each deployment, naval units participate in joint task force (JTF) exercise scenarios with Army, Air Force and Coast Guard units, to hone their readiness to function in a joint operational environment. In 1995 alone, naval forces participated in 123 joint exercises. Through the CinC exercise program, numbered Fleet and MEF headquarters staffs train

to serve as JTF headquarters. Navy and Marine Corps unit exercise programs focus on the participation of naval forces within the larger JTF Command and Control Structure. Personnel training and education programs also emphasize understanding the capabilities and employment of joint forces. Joint Air Operations, fire support and exchange programs are just a few ways that naval forces work with, and learn from, the other Services.

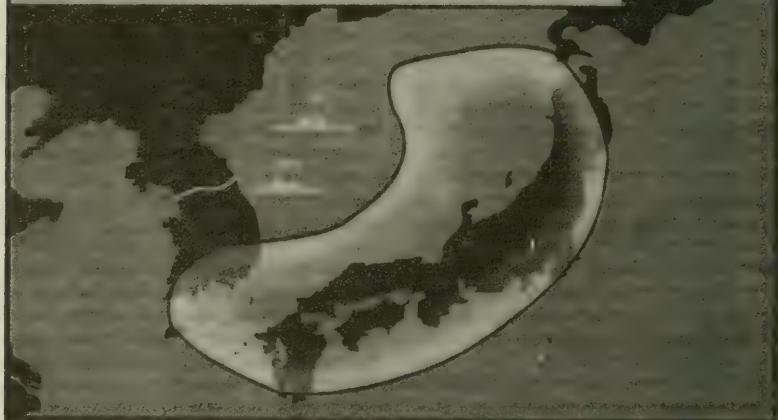
Joint Force Missile Defense

Protection from ballistic missile attack — including missiles armed with nuclear, biological, or chemical warheads — is crucial to the survival of threatened populations and U.S. military forces arriving early in theater. In the absence of prepositioned land-based missile defense systems, this essential regional and force protection must come from ships. To meet this vital and urgent requirement, the Joint Requirements Oversight Council approved a theater missile defense mission needs statement that calls for the development of a sea-based Theater Ballistic Missile Defense (TBMD) capability.

The Navy is making great strides toward meeting these requirements. Naval Area TBMD capability, currently planned for fielding in FY98, and follow-on development of Naval Theater Wide TBMD will provide defense-in-depth over an entire theater of operations. Major savings in development time and cost are realized by building on the existing capabilities and engineering base of Aegis equipped Ticonderoga-class cruisers and Arleigh Burke-class destroyers. In addition to providing an early missile defense umbrella, sea-based TBMD operates without host nation constraints and does not require airlift resources in the critical early days of conflict — resources that are currently dedicated to bringing ground-based TBMD into theater.

Still in the early stages as a potential TBMD system, the Marine Corps Improved Hawk Missile System demonstrated short range TBMD capabil-

SEA BASED TBMD CAPABILITY



Future Naval Theater-Wide TBMD will provide defense-in-depth over an entire theater of operations

ity during recent tests. The Marine Corps is exploring the potential of firing Navy Standard Missiles from Hawk missile launchers, to extend TBMD coverage and standardize weapons procurement.

Sealift and Sea Control

A unique Navy mission in any joint campaign plan is the movement and protection of military sealift. More than 90 percent of the material and equipment required for U.S. participation in a major regional contingency must arrive by sea. The proliferation of submarines in regions of key U.S. economic and security interests, reiterates that the U.S. Navy must maintain the anti-submarine warfare capability to counter this potential threat. The Desert Storm Scud missiles stimulated new efforts in TBMD developments, but British lessons learned during the Falkland Islands War with regard to submarines must not be forgotten. Belligerent submarines impact the land campaign not only through the attrition of sealift ships, but also through disruption of sea lanes and choke points.

Navy programs and acquisition focus on both the open-ocean and littoral threats:

- Shallow water anti-submarine torpedoes
- Surface ship torpedo defense
- Advanced Distributed System of underwater hydrophones
- Sensor Arrays
- Explosive echo ranging and low frequency active sonar

Anti-submarine warfare remains critical to the success of power projection from the sea as well as any land campaign that relies on seaborne logistics for success. It is challenging, force level intensive and requires a significant commitment in training to field an effective force.

Reserve Forces Integration

The *National Military Strategy* focuses our military capabilities on flexible and selective engagement to meet both anticipated and unanticipated global threats. Supporting this strategy with fewer forces is a challenge that is being answered by the

increased integration of Reserve forces into both wartime and peacetime operations. This integration must be seamless and must involve Reserve forces with a solid foundation of highly capable leadership, people and equipment. These standards are being attained through equipment modernization, increased integration of Reserve training with that of regular forces and the identification and retention of high quality people.

When personnel rightsizing is completed in FY99, the Naval Reserve will make up 20 percent of a Navy that has the proper mix of individuals and units to meet the CinCs' requirements. The Marine Corps has redesignated its Reserve Marine air-ground task force as augmentation command elements (MACE) of the Marine expeditionary forces (MEFs). Other initiatives include:

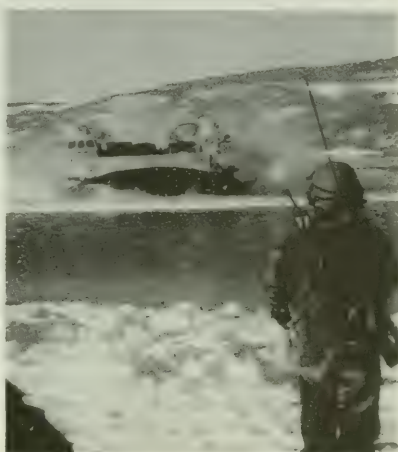
- Decentralized control of Active Duty Special Work to allow field commanders better access to Reserve forces.
- Installation of the Reserve Information Network to provide a link to the Total Force Marine Corps and a gateway into the Department of Defense information network.

One Team

The Navy and Marine Corps Reserve were integral parts of Total Force operations during 1995. Naval reservists contributed to military operations, both in peacetime support and in crisis response, with more than 1.7 million man-days of support. They deployed as part of the USS Theodore Roosevelt battle group, flying EA-6B combat missions in support of operations in Bosnia. They also augmented fleet hospitals in Zagreb, Croatia and Guantanamo Bay, Cuba. Ten Naval Reserve Fleet (NRF) ships deployed to the western Pacific, Great Lakes, Northern Europe and South America. While assigned to NRF ships and maritime patrol squadrons, Naval reservists participated in Opera-

tions Provide Promise and Deny Flight. During 1995, NRF ships also provided more than 18 percent of the total ship steaming days dedicated to counterdrug operations.

The Marine Corps Reserve also was heavily engaged in 1995. More than 500 Reserve Marines participated in Operation Safe Haven/Sea Signal at Guantanamo Bay, Cuba. Marine Corps Reserve KC-130s flew Reserve Marine engineers and security personnel to Albania in support of Operation Uje Kristal. Other Reserve operations included exercises in Norway, Thailand, Kuwait and Korea. Of special note is the upcoming NATO exercise, Battle Griffin 96 — a predominately Reserve forces event focused on the Marine Corps Norway air-landed prepositioning program that will test and highlight the command and control capabilities of our reserve forces.



The shared goal for the Navy and Marine Corps is to attain a balanced, affordable Total Force, able to meet peacetime and crisis commitments immediately. This is being accomplished through the seamless integration of a well trained, well equipped reserve force.

V. PEOPLE



The heart of the Department of the Navy's readiness is its people who kept faith with the Navy and Marine Corps through the rightsizing process and who now look to the future. Operating some of the most technologically advanced equipment of any force in the world, they must be ready every day of the year. Maintaining highly motivated and trained personnel during these challenging times requires innovative leadership, diligent planning and careful management of resources.

Shaping the Force

During 1995, the Navy's active end strength was reduced from 468,662 to 433,744. This will continue until the Navy reaches 394,900 active Navy and 96,000 reservists by 1999. The current force of 174,000 active duty Marines will be maintained,

while reserve end strength is near the authorized level of 42,000. Department of the Navy civilian staffing continues to keep pace with overall rightsizing objectives, with a projected decline from 240,044 in FY96 to 204,363 in FY01.

Careful application of Congressionally authorized force shaping tools has allowed the Navy to adjust officer, enlisted and civilian numbers gradually and fairly. Separation programs have been fully funded to ensure an orderly transition to civilian life. The Department has kept faith with mid-career personnel by avoiding involuntary separations before retirement eligibility. There is no longer a need for an enlisted selected early retirement (SER) program and the requirement for officer SER has been significantly reduced. We are working to eliminate it.



We are working closely with the Army and Air Force to seek permanent grade relief from DoD Officer Personnel Management Act grade restrictions. These restrictions were in place before the drawdown and rightsizing of the force and prior to establishment of significant joint field grade requirements mandated by the Goldwater-Nichols DoD Reorganization Act.

Department of the Navy civilian employees represent about 25 percent of our total work force end strength. Although the majority of civilians contribute directly to the readiness of operational forces, many others provide essential support in such diverse functions as:

- Training
- Medical care
- Communications
- Morale, welfare and recreation programs
- Research, development, and acquisition of new platforms and weapon systems

We continue to make every effort to minimize the adverse impact of necessary force reductions on our civilian employees. Aggressive use of separation incentives has diminished the need for forced reductions.

Recruiting

The primary recruiting challenge is continuing to attract sufficient numbers of high quality people. Over the past year, Navy and Marine Corps recruiting commands continued to battle one of the toughest recruiting climates in the history of the all volunteer force. The market of eligible young people, 17-21 years old, is one of the smallest in memory and the propensity to enlist is low. This has been aggravated by the policy of some schools to withhold cooperation from military recruiters. Additionally, a strong economy has contributed to a challenging recruiting environment.

In 1995, our recruiting forces met the challenge.

We are increasing the resources available to recruiters as we look ahead to 1996 and the task of bringing in almost 60,000 new Sailors and 40,000 new Marines. To meet these requirements, we will continue to assign the best people to recruiting duty and provide them a comparable quality of life while working in remote locations, far from the support of military installations. Recruiters greatly benefited from Congress' FY96 plus-up for recruiting and advertising and the authorization for a higher level of special duty assignment pay.

FY95 was also a successful year in officer recruiting. We met very late-in-the-year requirements for more Navy pilots, Naval Flight Officers, nurses and doctors — and made significant gains in minority representation across all officer categories. Our Immediate Scholarship



USS Samuel B. Roberts (FFG-58) winner of the 1995 Golden Anchor Award for outstanding retention

Decision and NROTC scholarship programs worked particularly well, as did the Baccalaureate Degree Completion Program. The Navy's Seaman-to-Admiral Program and the Marine Corps Enlisted-to-Officer Commissioning Programs provided broader career opportunities for our most talented enlisted personnel.

The Navy and Marine Corps are remaining competitive in the recruiting environment by making innovative use of new systems and technology, such as advertising on the Internet and creating CD-ROM multimedia sales presentations. For the long term, the Department remains committed to strong and adequately resourced recruiting programs. Motivated recruiters, adequate budgets and meaningful incentive programs, such as the Montgomery G.I. Bill, the Navy and Marine Corps college funds and the enlistment bonus programs are key to continued success. With continued support and sustained, effective advertising we can attract the numbers of high quality young men and women we need.

Retention

As the drawdown and rightsizing of the force nears its conclusion, we must redouble our efforts to retain high caliber people. Maintaining adequate retention levels not only ensures high readiness levels through retention of highly trained, critical skill personnel, but also eases the pressure on our recruiting force by lowering the yearly accession requirement. We are regaining the ground lost during rightsizing and have policies in place to continue the present positive trends in first- and second-term retention established during the past two years. In 1995 the Marine Corps met its enlisted retention goals for first-termers (20.4 percent) and second-termers (73.1 percent). The Navy also met 1995 goals for first-termers (36.4 percent) and second-termers (49.2 percent).

A number of programs and initiatives presently under way have a major impact on retention:

- Quality of life enhancements
- Improved advancement opportunities
- Competitive pay and benefits
- Selective reenlistment bonuses remain the most effective program for short term retention of highly skilled enlisted personnel
- Protection of retirement benefits for the vital retention of career personnel

The Navy Goal Card is a new personal management tool that also supports our recruiting and re-

tention efforts. It is a first ever enlisted career path chart that assists first-term sailors in setting and achieving personal and professional goals. Available now on the Internet, the Goal Card continuously updates educational opportunities and provides information on jobs, training and advancement for anyone thinking of entering or staying in the Navy.



Enhancing Quality of Life

A comfortable standard of living, positive work environment and excellent care of families are essential in retaining capable people. The following programs and initiatives support these requirements:

- Legislative initiatives have been proposed to authorize quarters allowances for single E-5s on sea duty. Additional proposals support payment of Basic Allowance for Quarters/Variable Housing Allowance to joint military couples (without dependents) assigned to sea duty as well as single
- E-6s and above who receive permanent change of station orders to deployed units.
- Bachelor and family housing continue to be high priority quality of life issues in the Department. We continue working to provide quality housing for all personnel and their families, looking first at private sector housing and partnerships with private sector investors. Approval of the new DoD construction standard for unaccompanied enlisted personnel housing will significantly improve the quality of life of our bachelor enlisted personnel, but available funding will delay attainment of this standard well into the next century. An aggressive housing referral program provides comprehensive listings of available community housing, to ease the transition of newly transferred families. The Navy's "Neighborhoods of Excellence" program and the Marine Corps "Housing Campaign Plan" provide long term vision and goals for bringing housing up to modern standards.
- Chaplains supply around-the-clock ministry and pastoral presence to deployed units and serve as linchpins in the personal connection between sea-service personnel and their families. Chaplain crisis intervention ministry is crucial in times of personal loss, bereavement and transition. Their awareness and prevention programs dealing with suicide, HIV/AIDS and domestic violence--in addition to the core values training they provide--are integral to quality of life and combat readiness.
- The Navy Judge Advocate General's Corps and Marine Corps Judge Advocates provide extensive legal support for the sea services. The Navy and Marine Corps Legal Assistance program--not a statutory entitlement, but an "as resources are available" program--continues to emphasize quality of life programs. In 1996, a free Electronic Tax Filing Program will be available at 90 Navy and Marine Corps bases and installations worldwide, enabling quicker tax refunds and significant individual savings.
- Voluntary education programs are significant

contributors to recruiting, retention and readiness. They provide continuous access to educational opportunities even during deployments and assignment to remote or overseas locations. The Navy's program for afloat college education offers college courses and academic skills modules to individuals deployed on ships. Academic skills learning centers will be available at 52 shore locations by FY01. The Marine Corps satellite education program, located at 14 sites, provides two way real-time video connection between scattered classrooms and an instructor, greatly assisting the pursuit of a college degree, even during a change of duty stations.

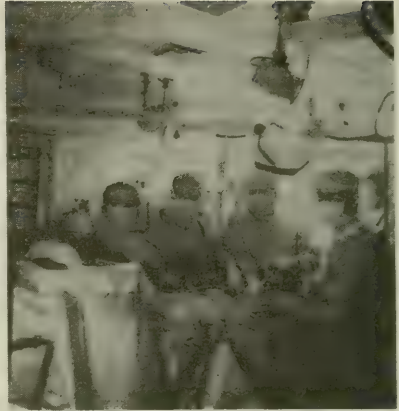
- Family service centers encompass a variety of important programs, including relocation and transition assistance, deployment support and personal financial management. The Navy and Marine Corps have established a "New Parent" program, designed to help our younger personnel meet their family responsibilities.

Effective quality of life programs have quite a positive impact on our recruiting and retention efforts and, ultimately, our combat readiness.

Meeting Medical Needs

The Department of the Navy is committed to providing the highest quality health care to active-duty and retired service members and their families. The Navy Medical Department's primary mission is readiness. This means keeping people on the job, at sea and ashore, by providing medical services close to the operators and by moving information — instead of patients — whenever possible. To achieve this, U.S. based and forward deployed medical department personnel are employing new and innovative technology and procedures:

- Advanced technologies such as teleradiology and other telemedicine techniques are revolutionizing quality on-site patient care. This results in drastic reductions in the number of patients transported to medical facilities, with a resulting in-



crease in readiness and significant savings in time and money.

- Fleet Marine Force medical units continue to pursue solutions in support of the Operational Maneuver From the Sea concept which links maneuver at sea directly with maneuver ashore. The fast paced action envisioned by this concept requires more mobile, responsive and lighter medical units. Medical battalions are addressing these needs through new initiatives, such as the recently developed shock trauma platoons. Emerging medical technologies are analyzed continuously so that new advances can be incorporated into operational medicine supporting Marine forces worldwide.

- The Total Health Care Support Readiness Requirement model will ensure that we have the right number and mix of regular and reserve medical department personnel to meet our wartime and day-to-day operational missions. Navy medicine is a leader within DoD medicine with this new tool for assessing manpower requirements.

- The Defense Women's Health Research Program addresses emerging health issues that have surfaced with the expansion of assignment opportunities for women in shipboard and other operational billets.

- We are streamlining procedures and policies to meet our needs. Policy changes in the aviation physical examination review process have reduced backlogs and man-hours without compromising quality of care. Implementation of system wide changes in patient appointments is greatly reducing waiting times.

- A new method of providing on-site optical support to fleet and field units is being tested through the use of mobile vans outfitted with optical fabrication equipment.

We continue to work closely with the Assistant Secretary of Defense for Health Affairs and other Services' surgeons-general to establish TRICARE regionally managed care support contracts. These regional contracts will create a seamless medical system that provides beneficiaries a choice of quality health care services. As the lead agent in San Diego, California and Portsmouth, Virginia the Navy is educating the beneficiary population about the benefits, choices and responsibilities of TRICARE Prime enrollment.

The need to keep faith with the armed forces' retired community with regard to medical benefits requires constant vigilance. The Department of Defense continues to work for authority to receive reimbursement from Medicare for health care provided to those medicare eligibles within the Military Health Services System (Medicare subvention). Congressional approval of Medicare subvention would allow Medicare eligibles to enroll in TRICARE Prime and allow DoD to improve access to medical services to retirees while providing quality health care at a reasonable cost. It would also allow Health and Human Services to control medical spending for Medicare eligible retirees enrolled in a Health Maintenance Organization program with costs significantly below the fee for service care. In the interim, Medicare eligible patients continue to be seen by military treatment facilities on a space available basis.



vision is a totally integrated and diverse team of regular and reserve personnel, encouraged, mentored and developed by their peers and leaders to attain their full potential through a wide range of career opportunities and professional challenges. Attaining this vision requires careful attention to all aspects of our plans to ensure equitable assignment of minorities and women into all available career fields.

Recent changes have opened many new positions to women. More than 94 percent of all Navy billets and 93 percent of all Marine Corps occupational specialties are now available. Today, the most senior women in the active-duty military, enlisted and officer, are Marines. All new Navy surface ships are now designed to incorporate berthing for officer and enlisted women including the USS Benfold (DDG 65), the first U.S. Navy ship built from the keel up with habitability modifications necessary for full integration of women into the crew.

A significant equal opportunity undertaking during the past year was the Secretary of the Navy's "Enhanced Opportunities for Minorities Initia-

Equal Opportunity

A key component of the Navy and Marine Corps

tive," which called for the examination of all aspects of recruiting, accessions, promotion, retention and augmentation. The intent of the initiative is to create a Navy and Marine Corps that reflect the demographics of American society. Based on Census Bureau population forecasts for the year 2005, the Department of the Navy should reflect 12 percent African-American, 12 percent Hispanic and five percent Asian Pacific Islander/Native American (12%/12%/5%) across all ranks, rates and designators. Attaining this goal will take 20-25 years, after allowing those accessed under the new percentages to progress through their full careers, with lasting effect on the demographics of the Department of the Navy. We will increase accessions each year in order to meet the overarching goal of 12%/12%/5% minority officer accessions by the year 2000. Our FY96 goal exceeds minority representation within the most recent class of college graduates.

Safety

Operational safety and survivability initiatives in training and actual combat not only save lives, but



reduce losses to the fleet and the Fleet Marine Force. Shipboard damage control and firefighting upgrades have steadily reduced losses over the past ten years. These efforts decreased dollar losses in both surface and subsurface mishaps from \$93 million in FY90 to less than \$21 million in FY94. In aviation, emerging technologies from commercial aviation and other military sources are being assessed in demonstrations at several locations.

Even in our best year ever for modern aviation safety, any loss is unacceptable. Each mishap is investigated thoroughly for information that will prevent repeated mishaps from the same cause. Early in 1995, flight recorders were being retrofitted into many naval combat aircraft. This will provide vital information to further reduce losses. Other technologies that hold promise for reducing operational losses are being assessed and implemented in fleet aircraft. This is an ongoing, high priority effort for the Safety and Survivability "Reinvention" Lab.

The Navy Occupational Safety and Health program focuses on protecting military and civilian personnel in their workplaces. It is essential to military readiness that safety and occupational health goals and objectives be integrated into the Department of the Navy's mission at every level. To achieve this, the program has published a strategic plan that focuses on four main initiatives in the strategic plan:

- Process review and measurement
- Communication and information systems
- Planning and engineering
- Training and education

Through these initiatives, the Department continues to emphasize personnel safety and health awareness. We are targeting high risk/high hazard operations afloat by developing new training and awareness videos that discuss safety and health issues.

VI. READINESS



Today, Navy and Marine Corps readiness is high, but there remains concern for the future. Readiness is key to forward presence, crisis response, war prevention and winning wars. It remains a top priority. A smaller force structure demands that we maintain technological superiority over potential adversaries. Retaining that superiority means recruiting and retaining quality people, and providing them with the finest equipment possible. We must make the correct decisions now to support both current readiness and future capabilities.

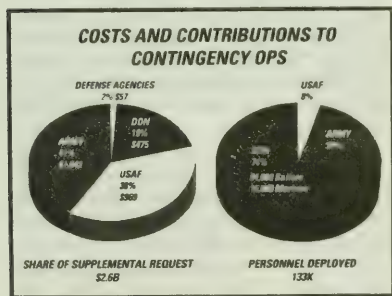
The Navy and Marine Corps require fewer supple-

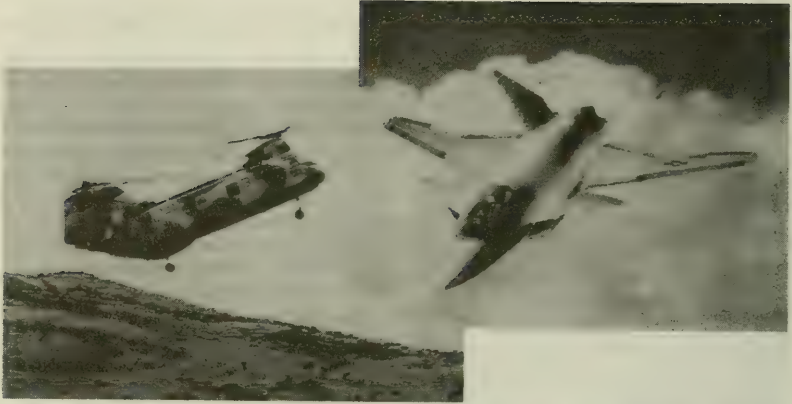
mental contingency funds than the other Services because most naval crisis response capability is inherent within routine forward deployments. Such operations are included in the "sticker price" of naval forces. Nevertheless, our operating budget leaves little room to support unfunded contingencies that require us to deploy additional ships, squadrons and Marines. Unplanned deployments often cause reductions in other accounts, which affect current readiness. The Navy and Marine Corps Active and Reserve Operations and Maintenance (O&M) appropriations bear the burden of supporting unfunded contingencies. Diverting programmed O&M funds delays vital equipment repairs and also disrupts quality training. These disruptions to approved programs can be minimized when supplemental appropriations are passed in a timely manner.

Future Readiness

Future readiness can be answered by sizing the force correctly. A force that is too small for its operational commitments burdens both people and equipment. As rightsizing slows and infrastructure stabilizes, maintaining readiness to support national security interests requires close scrutiny. Heavy demands on forces this year indicate that previously programmed force levels require adjustment to meet the tempo of operations actually being experienced. We need to make these adjustments to avoid excessive impact on people, equipment and readiness.

Force sizing is only part of the readiness equation. Future readiness requires investing now in the programs of the future. Both the Navy and Marine Corps seek increases in procurement and R&D accounts to ensure future readiness. Replacing aging platforms such as CH-46 medium-lift helicopters and LPD-4 Class amphibious ships in the near term, and investment in next generation platforms and systems such as the 21st Century surface combatant (SC-21) and the Joint Strike Fighter (JSF) aircraft in the long term, are essential for that to occur.





Replacement of an aging platform, like the CH-46 and investment for next generation platforms, like the Joint Strike Fighter, are key to future readiness

Impact of Environmental Protection on Operations, Training and Testing

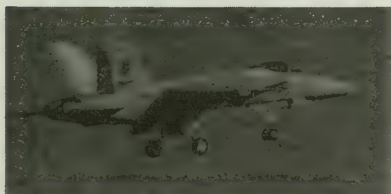
The Department's environmental programs are designed to ensure a ready, cost effective and environmentally conscious force. This includes complying with all applicable environmental laws and regulations and protecting natural resources. In order to meet this challenge, the Department has developed a long term environmental strategy that is being integrated into everyday business practices and operations.

Some environmental requirements have caused significant delays and additional expense. For example, the ship shock trial of the USS John Paul Jones (DDG 53), scheduled to occur off the coast of California, was delayed for approximately 30 days by litigation that questioned compliance with environmental rules. In another example, older regulations designed to protect against contamination from liquid polychlorinated biphenyls (PCBs) in transformers and capacitors now affect the ability to dispose of decommissioned ships. New proposed PCB regulations could increase costs and delays for ship maintenance and disposal.

The expansion of the Humpback Whale Sanctuary in the Hawaiian Islands required extensive high level coordination to ensure that routine Navy and Marine Corps operations around Oahu and testing and development of systems at Barking Sands could continue. Regulations established for a marine sanctuary off the Northwest Pacific coast of the United States drastically reduced close-in bombing practice in a long used training area. New regulations intended to preclude harassment of marine mammals are the subject of ongoing discussions, between the Department of the Navy and the National Marine Fisheries Service, to ensure that costs and procedures associated with routine and special exercise operations do not significantly increase.

The Department is working hard to ensure that laws and regulations are sensitive to the requirement to maintain a ready and effective national defense and, equally, that naval operations minimize adverse effects on valuable national and global resources. When we do our job well, both military readiness and the environment are protected.

VII. TECHNOLOGY...INNOVATION AND MODERNIZATION



The maiden flight of the F/A-18E

Events of the past year clearly demonstrate that we live in an uncertain world that requires naval forces to meet a wide range of contingencies. Through a combination of innovation and modernization we are building and maintaining naval forces that are ready to meet those contingencies. We are exploiting the explosive changes occurring in high technology, to conceive and build new and more capable platforms and weapon systems for the future.

Modernization

Economic conditions dictate that we take advantage of emerging technologies to breathe new life into some of our older systems and platforms or tie together disparate systems to synergize the whole. Capability upgrades to current ships, naval tactical aircraft and various weapon systems all are critical parts of the modernization program. Continued upgrades of our ultra high frequency super high frequency, extremely high frequency, and commercial satellite communications capability are necessary to enhance the support and integration of joint/combined operations. The Cooperative Engagement Capability, successfully demonstrated last year, provides the opportunity to tie an entire theater of currently existing systems together for targeting. Funding these modernization programs provides a tremendous boost to capabilities at a lower cost.

Acquisition Investment

We are investing today in the platforms, equipment and infrastructure for future naval forces. Tomorrow's naval force will be smaller than its Cold War predecessor but much more advanced technologically. The Department's acquisition investment strategy makes the most of scarce procurement dollars without compromising quality. It also emphasizes that future programs must produce survivable multimission platforms and weapon systems — true force multipliers — capable of meeting a great variety of mission requirements.

This strategy involves prudent risk. Many of the platforms and weapon systems in the fleet today were procured during the 1980s and early 1990s. Lower Post-Cold War force level requirements allowed retirement of older and less capable platforms and weapon systems, leaving us with a platform average age that is actually lower than it was when annual procurement budgets were much higher. Based upon current production rates, however, average age will steadily increase. Current programs such as the *USS Arleigh Burke* (DDG 51) - class destroyer, the *Osprey* (MV-22) tilt-rotor aircraft, the Super Hornet fighter/attack aircraft (F/A-18E/F) and the advanced amphibious assault vehicle (AAAV) will help to ameliorate this effect and are critical parts of Navy and Marine Corps future readiness.

To support long term acquisition, we plan to increase procurement accounts. Resources for this must come from four areas:

- Cost reductions from acquisition reform
- Execution of base realignment and closure recommendations and infrastructure reduction decisions
- Actions to reduce the operating and support costs of our systems
- Outyear real budget growth

The FY97 budget request represents the continuation of a carefully constructed acquisition investment plan. It extends the modernization strategy through an integrated program approach.

Acquisition Leadership

Within the acquisition community, the Department is embarking on a bold new initiative in the Naval Research, Development and Acquisition organization. Built along the principles of Total Quality Leadership, the combined Navy and Marine Corps acquisition team leadership is focusing on improving the planning and processes for developing, acquiring and supporting the products and services provided to naval forces.

The Department is dedicated to using a team approach, built on trust and a true partnership with industry, the other Services and allies to define cost effective warfighting options for the future. We plan to be flexible and adaptive, committed to transforming ourselves and the products we provide to meet the challenges of an affordable Navy and Marine Corps of the future. In the coming year, the Department will publish a strategic plan that lays out our vision, mission and guiding principles and identifies goals and objectives.

This is a period of significant organizational change. Plans are well under way to geographically disperse the majority of the program managers, program executive officers and systems commands from Arlington, Virginia to Patuxent River, Maryland; Mechanicsburg, Pennsylvania and San Diego, California. The Department is committed to continue delivery of the very best products and services by learning new ways to communicate, exchange information, manage and lead.

Business Strategy

The Department also recognizes the need to continue improving business practices by finding additional ways to reduce costs and make the acquisition process more responsive to rapidly changing technology. Acquisition reform initiatives

support modernization programs by addressing three key areas:

- Advanced technology insertion
- Cost reduction
- Avoidance of platform obsolescence

In several critical areas, technological advances in the commercial sector outpace those in the defense sector. This is particularly true with information and communications systems. The Department is taking advantage of commercially developed advanced technologies by incorporating them into our acquisition programs earlier. Cooperative Engagement Capability is a good example — more than 60 percent of this program involves commercial off-the-shelf and non-developmental technology, which integrates and shares real time detection data from a variety of sources, including ships' sensors and units ashore.

Modern business practices were the focus of a Department of the Navy CEO Conference that took place in Norfolk, Virginia in November 1995. This conference was the first in an annual series intended to foster dialogue between the Department of the Navy and its supporting industrial base. The first conference was co-chaired by the DoN Acquisition Reform Executive and the president of a major defense contractor. This cooperative effort will improve acquisition efficiency as well as day-to-day operations.

Enhanced warfighting results from technology insertion. Closer ties are being developed between the science and technology community and the operators to establish realistic acquisition program priorities based on warfighting needs, technological attainability and realistic life cycle affordability. The Navy and Marine Corps also are increasing effectiveness and extending the life of existing systems through affordable near term improvements such as upgrades to the Marine Corps UH-1N Utility and AH-1W Attack helicopters and to the Navy's P-3C maritime patrol aircraft and SH-60 helicopters. Science and technology roadmaps are being developed to outline critical path devel-

opments, risk reduction for advanced system performance achievement and basic and applied research in the production of new systems. Navy and Marine Corps programs benefit from increased attention to manufacturing science and technology. Specific examples include focused attention in advanced composite structures for integrated hull and systems designs, production of multifunctional integrated systems, agile ship construction integrated into advanced design procedures and simulation capabilities for systems performance and production.

Foreign Military Sales (FMS), international cooperative programs and defense industry-to-industry cooperation with other nations provide ways to stretch the investment budget by minimizing duplicative defense technology investments and maximizing commonality of deployed equipments. Cooperative research and development agreements with friends and allies, such as those supporting the development of the anti-air Sea Sparrow missile and the AV-8B Harrier aircraft, yielded foreign contributions of over \$250 million in CY95 and \$1.2 billion over the past nine years. FMS initiatives, such as sales of F/A-18 aircraft and Harpoon surface-to-surface missiles, support U.S. foreign policy, enhance interoperability and reduce Navy and Marine Corps production costs by combining procurement requirements with purchases by other nations.

Today's platforms are more expensive, but they are also significantly more capable and reliable. Since ships have long service lives, they are designed to accommodate future upgrades. Existing platforms are being modernized with weapon systems to allow future growth and technology refreshment. To this end, extensive use is being made of open systems architecture, commercial standards, modular components and fiber optics.

Institutionalizing Innovation

The Navy and Marine Corps have only begun to exploit the possibilities offered by digital communications, miniaturization, precision guidance and

a host of other technologies. But ultimately people, not machines, define successes in war. In addition to pursuing integration of technologies that are here today but not yet on-hand, the Department is also exploring innovative new organizational and doctrinal concepts that are appropriate to the mission.

- Taking advantage of explosive changes in technology requires the means by which this exploitation can occur. Last year, a CNO Executive Panel (CEP) task force recommended that the Navy initiate a formal process to conceive, evaluate and rapidly exploit major opportunities for innovation in naval warfare. The aim of this process is to explore new and innovative concepts, operations, organizations and emerging technologies that could provide major advantages to U.S. and combined forces in addressing future warfare needs. The CNO founded a strong and independent concept generation organization by engaging personnel and resources from the Strategic Studies Group, CNO Executive Panel, Naval War College, Naval Doctrine Command, Naval Postgraduate School and the Office of Naval Research.

- The Commandant's Warfighting Laboratory (CWL) was recently established as the centerpiece of operational reform for the Marine Corps. The mission of CWL is to ensure that emerging technologies, with application for both the naval services and the individual Marine, are brought into service expeditiously and effectively. This laboratory will be the cradle and test bed for the development of new warfighting concepts and the integration of new technologies.

"A key objective . . . is to encourage — to demand — creativity and innovation."

**Gen C.C. Krulak, USMC
CMC**

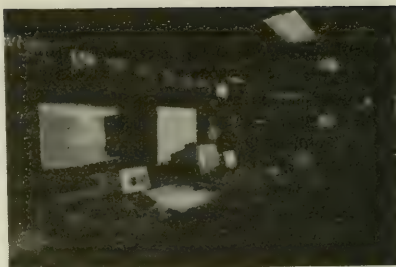
● Sea Dragon is the method through which the Marine Corps will seek to shape naval expeditionary warfare for the next century. Sea Dragon is a process through which innovative organizational concepts and operational techniques, incorporating the full range of available technologies, are subjected to rigorous testing and validation. This effort has far reaching potential for both the Navy and Marine Corps. Working together, we will ensure that we are prepared for the 21st Century.



Training Innovation

U.S. naval forces are the best trained in the world. To maintain that advantage in the current fiscal environment of reduced personnel and force structure, we are adopting innovative ways of applying new technology into naval training programs.

- Embedded training systems with advanced tactical simulation capability are being developed to allow our personnel to safely and inexpensively train on their own equipment at sea and in port as part of individual and unit training. New technologies will also allow reduced ammunition expenditures through simulators such as the Indoor Simulated Marksmanship Trainer.
- Automated electronic classrooms, interactive courseware and computer based training are making available from personal computers an infinite network of experts, electronic textbooks, case studies and technical manuals. Early results show that these new technologies significantly reduce training time and improve test scores. Accordingly, they are being expanded to include specialized skill training courses with large numbers of students.
- "Distance learning" through video teleconferencing provides training to deployed forces and



Technological advances will allow Navy and Marine Corps personnel to gain realistic training on their own equipment

eliminates travel costs associated with shore training at distant locations.

Fruits of Modeling and Simulation

Major strides have been made in the area of modeling and simulation (M&S). Both the Navy and Marine Corps management offices are actively promoting the evolution and application of advanced computing hardware and software development in operational planning and execution support, requirements assessment analysis and training functions. In accordance with the 1995 Defense Planning Guidance, the Department is pursuing simulations, simulators and advanced training devices and technologies to enhance the acquisition process and increase operational and training effectiveness.

The Joint Simulation System (JSIMS) will incorporate all the missions of all the Services within a common framework that supports live, virtual and constructive M&S capabilities and will eventually include acquisition support and analysis. The Naval Simulation System is working to provide simulation support for operational planning, exercises and war games as well as acquisition assessment and force structure analysis. The Navy's Battle Force Tactical Training (BFTT) system, which will achieve initial operational capability in FY97, will link more than 140 ships and 10

shore sites with a simulation capability, facilitating training from the individual to the joint task force level. Additionally, BFTT technology will provide the basis for the maritime component of JSIMS.

The Marine Corps is an active participant in joint and DoD development and implementation of M&S technologies that will enhance training (JSIMS), operational readiness (mission planning devices), acquisition (Joint Warfare System) and analysis (Joint M&S System). The Marine Corps Emerald series of M&S demonstrations (for instrumentation, distributed learning, simulation networking and analytical model development) is providing a proof of concept of viable, emerging technologies. These real-time demonstrations are providing the warfighter with a hands-on sampling of the capabilities being developed. The Emerald demonstrations complement the development of programmatic initiatives that identify the investment required to implement the Marine Corps future joint and interoperable M&S vision.

A particularly promising use of modeling and simulation is in acquisition. The Department is expanding the use of M&S early in the development of new technology as a partial substitute for the "hard" prototypes of the past. Use of M&S holds the promise of revolutionizing the DoN acquisition process through distributed, simulation based acquisition to produce superior systems while reducing cost and cycle time.

New Developments

The Navy and Marine Corps are pursuing new developments that are not only evolutionary but revolutionary. New technology has received the most attention, but development of innovative concepts for using this technology is equally important. This applies not only to operations but to training and preparing forces as well.

Copernicus Forward: The Navy and Marine Corps are expanding the Copernicus blueprint by developing a true sensor-to-shooter architecture. As a modern command and control (C2) capabil-

ity, it provides the naval foundation for joint and combined interoperability. Copernicus Forward extends the C4I architecture to include all mobile and fixed forces in the battlespace. It focuses on four areas:

- The connectivity embodied in the Joint Maritime Communications (JMCMS) initiative which includes dynamic bandwidth management
- The common tactical picture provided by the Joint Maritime Command Information System (JMCIS)
- The sensor-to-shooter capability resulting from C4I and combat direction system integration
- Information Warfare where the information system itself becomes a powerful weapon for use in future warfare

The Copernicus Forward architecture is a continually evolving system that adapts new technologies and capabilities to fully support the warfighter.

Arsenal Ship: The Navy and Marine Corps, in coordination with the Army and the Air Force, are exploring new ways to maximize naval firepower from the sea to support and impact the land campaign to a much greater degree than ever before. Born out of the theater commander's requirement for greater on-scene strike capability, the arsenal ship concept focuses on large numbers of affordable, precision weapons in a platform with drastically reduced manning requirements and overall cost. The arsenal ship is envisioned to be a large, mobile magazine with a simplified receive-only combat system capable of delivering on demand any of the vertically launched missiles in the DoD inventory.

Cooperative Engagement Capability (CEC): The increased complexity of emerging threats in the air defense arena makes it necessary to link all available sea, air and land based sensors with all potential firing platforms. CEC harnesses the technology that allows each firing unit to make use of



An artist's concept of an arsenal ship

real time sensor data from the most capable available systems. CEC was operationally tested in 1995. In one test during the deployment of the USS Eisenhower (CVN 69) battlegroup, the CEC air picture, composed of real world composite air tracks and synthetic ballistic missile tracks, was relayed to an Army Patriot site 800 miles away. The Army and Air Force are beginning comprehensive studies on the potential applications of CEC in their systems. In 1996, all four services will participate in an exercise in which CEC will allow the first ever engagement of an air target beyond the firing unit's radar horizon.

Chemical/Biological Incident Response Force:

Responding to the increasing threat of future biological or chemical incidents, the Marine Corps is developing a capability to meet this threat. Using the latest technology in chemical/biological detection and decontamination, this new force concept is being designed to evolve as future threats in this area are more clearly understood and new systems are developed. The Commandant's Warfighting Lab will soon announce the initial operating capability date for the first Chemical/Biological Incident Response Force.

Surface Combatant of the 21st Century (SC-21): The Surface Combatant Force Level and Force Architecture Studies are providing analytical input to the ongoing SC-21 cost and operational effectiveness analysis (COEA). This COEA is examining mission requirements and alternative approaches to replacing ships nearing the end of their service lives early in the 21st Century. Designed to be highly survivable with full joint interoperability, SC-21 will support the land campaign as well as perform the traditional roles of surface combatants. Initial indications point to a family of ships with time phased introduction of emerging technologies and tailored capabilities. Integrated information distribution through an open computer architecture combined with advanced equipment modularity and automation will greatly reduce manpower and life cycle costs.

VIII. EFFICENCY

Efficiency Through Innovation

In conjunction with the National Performance Review (NPR), recommendations from the Commission on Roles and Missions of the Armed Forces and other related activities, the Department of the Navy continues to pursue innovative ideas to increase our efficiency. We are learning a great deal from private industry and have undertaken several major initiatives, including delegation of waiver authority, designation of reinvention laboratories, reduction of cycle time, acquisition reform and initial implementation of the Government Performance and Results Act.

The waiver authority delegation initiative eliminates unnecessary and burdensome restrictions on operational commands. Capping a year of research, test and evaluation, all DoN Reinvention Laboratories (17 Navy and 10 Marine Corps installations and commands) are now authorized to waive policies and regulations standing in the way of innovation, breakthroughs and successes.

The cycle-time reduction initiative is creating shorter turn around times on all processes, thereby contributing to improved readiness. As part of NPR streamlining initiatives, the Department identified 25 candidate areas within which to create more efficient cycle times. These areas cover the budget process, acquisition management, test and evaluation, maintenance, training and general administration.

Acquisition reform produces significant cost reduction in the procurement of major weapon systems. A special Acquisition Reform Office was established within the Department of the Navy to help focus on structuring executable programs in the face of declining resources. With an anticipated three year charter, its intent is to encourage and facilitate exemplary business practices in such areas as joint government/commercial ventures, procurement streamlining and acquisition workforce training.

Cultural change, training and education are keys to the sustained improvement and long term success of acquisition reform. To achieve these aims, the Department has established an acquisition professional community of highly skilled Navy, Marine Corps and civilian personnel. The high quality of our career personnel is maintained through enhanced certification requirements, up-to-date training, increased educational opportunities and an improved intern program.

Looking inward for additional efficiencies, the Marine Corps created an "Enterprise Model" of its key activities, functions and processes to improve the interfaces between Headquarters, the Marine Corps Combat Development Command and the Marine Corps Systems Command, as well as external interfaces between the Marine Corps and other Services and agencies. Using the Business Process Reengineering Methodology under the DoD Corporate Information Management Initiative, these efforts are achieving efficiencies through the realignment of naval activities as directed or recommended by the National Performance Review/Defense Performance Review, Base Realignment and Closure Commission and the Commission on Roles and Missions of the Armed Forces. The result will be a Marine Corps positioned to meet the many challenges of the 21st Century.

All these initiatives seek to reengineer key management processes, so the nation will receive the best return for invested defense dollars. The Department's overall objective is to provide high quality, cost effective, combat ready forces.

Operational Fleet Reorganization

The dramatic emphasis on operational reorganization in 1995 has brought to a peak the efficiency of time spent at sea and eliminated non-mission essential training. These initiatives reduced the amount of time our men and women spend away from homeport between deployments and en-

hanced our ability to meet emerging operational commitments worldwide.

Last year, the Navy recommissioned the U.S. Fifth Fleet in the Southwest Asia area of responsibility. The recommissioning symbolized strong U.S. commitment to the region and enhanced interoperability with local naval forces. Implementation required no additional personnel. The existing staff assigned to Commander, U.S. Naval Forces Central Command will also serve as the Fifth Fleet staff.

To make more efficient use of smaller naval forces and enhance presence in the Western Hemisphere, the Commander-in-Chief Atlantic Fleet established the Western Hemisphere Group. This force will focus on naval operations throughout the Caribbean Sea and South America. It will fulfill regional presence requirements, including UNITAS, Caribbean basin security, bilateral/multilateral training, cooperation with Latin American countries, humanitarian contingencies and counternarcotic operations. Establishing the Western Hemisphere Group will reduce costs and personnel operating tempo by allowing the rest of the fleet to focus specifically on operations in the Mediterranean, Western Pacific and Indian Ocean.

During 1995, all Atlantic and Pacific Fleet combatants were organized into twelve core battle groups, each comprised of one carrier, two cruisers, or one of nine Atlantic or eight Pacific destroyer squadrons. After joining their core battle groups in the intermediate predeployment training phase, the destroyer squadrons will remain with them throughout the deployment cycle. Training, operating and deploying together will ensure a fully integrated fighting unit.

Acquisition Reform Success Stories

The Department of the Navy is committed to maintaining U.S. military superiority at reduced cost, and with increased responsiveness to the operators. The Navy Acquisition Reform program, led by the Navy Acquisition Reform Senior Oversight

Council, is achieving that goal. The Navy's forward looking strategy explores applications of innovative practices to accomplish cost and time reductions in the defense acquisition process and works to attain a culture that will ensure that these practices flourish.



The Navy's bold approach is already accruing results. The New Attack Submarine Open Systems Architecture (OSA) Demonstration Project promoted early industrial partnership and involvement in Commercial Off-the-Shelf/OSA. This program received the 1994 Buying Our Spares Smart Award as the top federal government project in planning and migration to reduced development time and procurement cost. Another example is the F/A-18E/F Super Hornet Program which, as a result of acquisition reforms, rolled out the first aircraft in September, 1995: ahead of schedule, under weight and on budget.

In FY95 the first fruits were seen from an acquisition strategy adopted in 1993 for Marine Air-Ground Task Force (MAGTF) C4I systems. The Marine Corps Tactical System Support Activity created the first version of the MAGTF C4I Software Baseline (MCSB). This software provides the functionality required to support the three key Marine Corps C4I programs:

- Tactical Combat Operations
- Intelligence Analysis System
- Improved Direct Air Support System

The MCSB derives most of its capabilities from the Global Command and Control System (GCCS) Common Operating Environment (COE) and reduces software lines of code being supported by the Marine Corps by 83 percent. This will achieve the goal of seamless interoperability with joint

forces in any theater of operations by having the identical software. A management structure has been established to manage acquisition of MAGTF C4I systems as they migrate to the GCCS COE. All MAGTF C4I acquisition programs under cognizance of the Marine Corps Systems Command are now consolidated under the Director, C4I. This consolidated approach, coupled with defining technical, operational and system architecture as part of the requirements definition process, will simplify coordination and greatly improve the acquisition process.

Challenge Athena is another acquisition success story under the Copernicus aegis. The system merges commercial off-the-shelf communication technologies into a communications architecture never before employed at sea. Initially installed in the USS George Washington (CVN 73), it permits real-time telephone communications for battle group leaders and can save thousands of dollars in medical evacuation costs through data transfer and video conferencing between the ship's medical personnel and medical facilities ashore to provide timely, accurate diagnoses. Perhaps most important, is the improved morale of crewmembers who now have the means of making inexpensive personal calls while at sea. Challenge Athena provides full duplex commercial satellite throughput to warfighters afloat. It also allows shipboard communicators to allocate bandwidth and channel assignments to fit mission priorities.

Under the Navy's AN/ARC-210(V) radio program, the acquisition strategy was restructured to resemble more closely a commercial business based procurement. This strategy allowed the Navy to reduce system cost by 18 percent while managing the risk far more effectively through the use of detailed and highly specific performance based contract and warranty provisions. The AN/SQS-53A EC-16, which replaced the AN/SQS-53A sonar subsystems with rugged modern commercial electronics, provided major savings. This aggressive program will reduce life cycle cost by more than \$100 million while also reducing system weight, man-year requirements, spares re-

quirements and operational downtime. This program received Vice President Gore's 1995 "Heroes of Reinvention Hammer Award."

The Navy's Trident II (D-5) missile program also benefited significantly from acquisition reform measures. Under the Trident II Propulsion Consolidation Program, successfully undertaken in 1995, production of D-5 missile first, second, and third stage boost motors was consolidated from two suppliers to one. Without the savings generated by this initiative, the Navy's ability to procure an affordable missile at unprecedented low annual rates — without compromising product performance, reliability or safety — would have been severely inhibited.

The Smart Ship Project is examining reduced manning initiatives for application on existing and future ships. By combining available technology, such as "gold disk" electronic troubleshooting, with changes to shipboard manning policies, the project will reduce the workload to allow a smaller crew size. The Smart Ship Project is reviewing and selecting proposals from industry, academia and government which will be tested aboard the Aegis-equipped cruiser USS Yorktown (CG 48). The lessons learned from the tests can then be applied to current and future ships to reduce ship life cycle costs.

STREAMLINING SHORE INFRASTRUCTURE

Base Realignment and Closure Strategy

With the Congressional approval of Base Realignment and Closure (BRAC-95), we now can focus all our BRAC-related efforts on implementing the plan. BRAC-95 identified 36 bases/activities for closure and 6 for realignment, bringing the grand total for all four rounds of BRAC to 135 bases/activities for closure and 44 for realignment. To date, 79 closure/realignment actions have been completed. The Department of the Navy is redoubling efforts to implement BRAC actions and experience the savings that will become available

through the remaining closures and realignments. The prompt and efficient closure of excess shore infrastructure will generate savings of approximately \$10.2 billion over the next six years that can be applied to modernizing naval forces and supporting infrastructure. Investment now in these efforts is critical to ensure the savings from BRAC implementation are realized quickly and the remaining infrastructure is correctly aligned with future force structure.

Toward that end, \$2.5 billion was appropriated in FY96 and \$1.5 billion is requested for FY97. FY96 will be the largest and most costly year for BRAC implementation, with costs projected to decline progressively through FY01 when all BRAC actions must be completed. Efforts through FY96 are expected to yield \$2.0 billion in savings in FY97 alone, and build through the end of the century. Repetition of the earlier experience of underfunded appropriations in support of BRAC will hinder our ability to execute an aggressive program and will have the compounding effect of reducing anticipated savings and creating a bow wave of future BRAC implementation costs.

As a key part of the base closure process, the Department intends to ensure a smooth and efficient turnover of the facilities to the communities that hosted forces for so many years. We are sensitive to the varying needs and desires of those communities and only by working with them individually can we ensure that we meet their expectations. Building on base closure successes at locations such as Mobile, Alabama and Glenview, Illinois will ensure that the conversion and redevelopment of bases is accomplished with the host communities in mind.

Post-Base Closure Strategy

Beyond the significant savings to be attained through closure and realignment of bases, additional efficiencies are targeted in operation of the remaining bases. The key to this is the comprehensive integration of shore requirements with

new business practices and improved organizational approaches. Shore infrastructure requirements have been carefully analyzed to ensure that remaining shore capacity is used to best support current and projected force structure.

The Navy's approach to shore management has been realigned in a manner similar to project management for platforms and weapon systems. Life cycle costs and alternative methods of service delivery are considered in every infrastructure plan. Private sector provision of common support services ashore is the preferred alternative, with investment in new facilities and upgrading of aging infrastructure reserved for those facilities determined to be critical to the direct support of our ships, aircraft, organizations and personnel.

Specific initiatives to implement this strategy for shore infrastructure after base closures include:

- Streamlining Echelon II installation management responsibilities by reducing overhead
- Organizational restructuring for both contract and in-house common support services on a regional basis in areas of fleet concentrations such as San Diego, California; Norfolk, Virginia and Jacksonville, Florida
- Consolidating or eliminating excess and redundant capacity for functions being performed by multiple tenant commands in one geographic region
- Aggressive pursuit of public and private partnerships and other innovative solutions to provide services formerly provided in-house

Regional Maintenance Strategy

The Navy is streamlining its ashore maintenance infrastructure through a combination of process improvement, infrastructure reduction and consolidation. Announced in March 1994, this initiative is intended to reduce capacity and capability while protecting responsiveness. It will integrate maintenance with supply and reinforce posi-

tive technical control. Advances in automated information systems, the relatively low price of transportation and the high price of labor make this strategy both desirable and possible.

In keeping with BRAC, the Navy is making best use of its repair shops and workforce (military and civilian) by sizing its repair activities to keep a level work load and sending overflow work to the private sector. Consolidations are occurring across platform programs and intermediate level (*versus* depot level) funding constraints are being reduced wherever it makes sense.

Process improvement savings are expected from reduced rework, elimination of redundant planning and engineering at different locations, continued use of the Reserve Force and reduction of Defense Business Operating Fund losses. In anticipation of these savings, \$1.28 billion was removed from Navy's maintenance accounts across the FYDP starting with FY95. Additional savings generated as a result of continued process improvements will be available for force modernization.

Regional maintenance is being accomplished in three parts:

- Parts I and II commenced 1 October 1995, with emphasis on integrating intermediate and depot level maintenance and full regionalization of maintenance in the Mid-Atlantic and Northwest regions (our most demanding cases). The other six regions will follow.
- Part III will establish an integrated approach to maintenance to connect the customer with a single responsible and accessible provider. Completion of this initiative is expected to occur after the turn of the century.

Environmental Stewardship

The Department has begun a comprehensive review of the environmental planning process, to ensure that environmental protection considerations are analyzed early in the planning process

for military operations and the acquisition process for weapons, platforms and facilities. Pollution prevention is a key element for both shore installations and vessels. The Navy and Marine Corps have institutionalized a major hazardous materials control program at shore installations that will minimize and carefully control the use of hazardous materials. After a successful prototyping in 1993, this program has been targeted for 175 shore installations by the end of 1998. Lessons learned are being shared through a pollution prevention opportunities guide.

Last year, we introduced the concept of the environmentally sound ship. This year, the concept moved a step closer to reality with the passage of an amendment to the Clean Water Act, which allows the Navy to develop cost effective, practical technologies for controlling waste water discharges from vessels. Working closely with federal agencies, states, the Congress and marine-protection interest groups, we have proposed the authorization of uniform national discharge standards for military vessels. Over the next several years, the Navy plans to work with these same stockholders to identify vessel discharges warranting control and then establish practicable discharge guidelines through the regulatory process.

The Navy is presently analyzing alternatives to manage solid waste at sea effectively. As required by law, the Navy will report to Congress on the status of compliance with the Act to Prevent Pollution from Ships. The combination of plans for liquid discharges and solid waste management, along with the ongoing shipboard hazardous materials control program, will establish the U.S. Navy as a leader in pollution prevention among the world's navies.

IX. PROGRAMS

Programming for the Force

The Department of the Navy budget reflects the priorities established in the Defense Planning Guidance. The emphasis in this second year of the FY96/97 Biennial Budget remains unchanged from the first:

- Preservation of near-term readiness
- Protection of quality of life enhancements
- Commitment to increased efficiency in our infrastructure and other resources
- Continued emphasis on near-term modernization and the research, development and acquisition of future platforms and weapon systems.

Program Summaries

Current programs and those in development will give the Navy-Marine Corps team the right mix of capabilities to meet today's national security requirements, while adapting to the changing security environment of tomorrow.

Aircraft Carriers: Twelve aircraft carriers form the centerpiece of naval global forward presence, crisis response, warfighting and deterrence capability. Going beyond their power projection role, they also serve as joint command platforms in the worldwide command-and-control network. The USS John C. Stennis (CVN 74) was commissioned in December 1995 and the USS America (CV 66) will be transitioned to the inactive fleet this year. Project 78, the development effort for our future carrier, is examining projected requirements for sea-based tactical aviation platforms and the aircraft carrier that will support those platforms well into the 21st Century. The changing world has increased reliance on the aircraft carrier, which continues to prove itself in supporting the nation's political and military needs. No other platform in

the world is as survivable while simultaneously possessing the ability to sustain around-the-clock high tempo manned aircraft operations.

"This aircraft, and the aviators who fly her, will ensure that future Presidents, when they ask 'Where is the nearest carrier?' will get the right answer....Within range, Mr. President, with a full load of capable combat aircraft ready to do what you require, Sir!"

ADM J. M. Boorda, USN
CNO

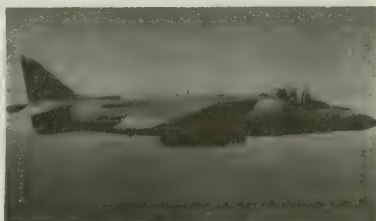
F/A - 18E/F Super Hornet: The F/A-18 Hornet is the backbone of naval aviation strike warfare. This year's budget request will include first year production funding for the procurement of 12 F/A-18E/F aircraft. The successful first flight occurred in November 1995 and the program is on schedule and on cost. Procurement of the first 12 low rate initial production aircraft will begin the orderly transition of the F/A-18 inventory to this improved strike fighter aircraft. Building upon the proven technology of earlier model F/A-18 aircraft, the F/A-18E/F will have greater range, payload flexibility, an improved capability of returning to the carrier with unexpended ordnance, room for avionics growth and enhanced survivability features. It will increase our ability to conduct night strike warfare, close air support, fighter escort, air interdiction and fleet air defense. The F/A-18E/F will constitute the majority of strike fighter assets on aircraft carriers and will complement future aircraft that evolve from the Joint Strike Fighter (JSF) Program. In order to enhance strike fighter capability further, this year's budget also contains continued funding for warfighting improvements to our existing F/A-18C/D aircraft.



MV-22 Osprey: The MV-22 aircraft remains the Marine Corps highest aviation acquisition priority and is key to successfully implementing our Operational Maneuver From the Sea concept — a concept that finally links maneuver at sea with maneuver ashore. The acquisition of this medium-lift tiltrotor, vertical/short takeoff and landing (VSTOL) aircraft represents a major improvement in our ability to project forces from over the horizon toward inland objectives. The MV-22 will give Marine air-ground task forces the ability to fly significantly farther and faster with a greater payload than the aging fleet of medium-lift CH-46 helicopters. The MV-22's ability to carry 24 combat-loaded Marines at a cruising speed of 240 knots will provide the operational capability to exploit gaps in enemy defenses and rapidly insert assault forces, while enhancing security and survivability. This combat multiplier nearly triples the present day battlespace and will give commanders the tactical flexibility to respond, to adapt to, and to defeat a wide range of threats, while minimizing friendly casualties. In addition, the MV-22 is completely self-deployable to any area in the world, saving critical strategic airlift and sealift. In FY97 low rate production will begin on the first lot for receipt by the Marine Corps. With an initial operational capability of 2001, the technical innovation of the MV-22 will constitute a revolutionary leap in our ability to maintain battlefield dominance well into the 21st Century.

AV-8B Remanufacture: The remanufacture of the AV-8B Day Attack Harrier to the AV-8B Radar/Night Attack Harrier configuration will in-

crease the multimission capabilities of this proven aircraft in the role of offensive air support. This program greatly increases the Harrier's night, reduced-visibility and poor weather capabilities for close air support and also enhances the air defense capability of amphibious ready groups. The AV-8B remanufacturing program will also extend the aircraft's life by 6,000 hours. Still the only tactical aircraft capable of operating from small flight decks at sea or unimproved areas on land, the AV-8B will be capable of delivering all future smart weapons, such as the Joint Direct Attack Munition and the Joint Stand Off Weapon, in support of ground forces. This program also improves the aircraft's combat utility and survivability through standardized configuration and safety enhancements. This AV-8B program will modernize 72 aircraft at 77 percent of a new aircraft's cost. The first flight was successfully conducted in November 1995. Delivery of the first three remanufactured aircraft will occur in FY96.



Joint Strike Fighter (JSF): The Joint Strike Fighter program serves as the Department of Defense's focal point for defining future strike aircraft weapon systems for the Navy, Marine Corps and Air Force. The key focus of the program is affordability — reducing the life cycle cost of follow-on strike aircraft development and production programs. Were the Services to pursue development of the next generation strike fighter through separate programs, the cost would be approximately \$27 billion; a joint approach is expected to cost about \$17 billion, a savings of \$10 billion to the taxpayer. Further savings are anticipated through participation by the United Kingdom's Royal Navy as well.

F-14 Upgrade: Continuing to improve carrier air-wing multimission capabilities, the Navy will upgrade the F-14 Tomcat by procuring a limited number of LANTIRN laser targeting systems that will be used to outfit forward deployed units and by incorporating provisions for system installation in 212 F-14 air-superiority fighters. All models have been cleared to release basic MK-80 series free fall bombs as well as laser guided equivalents. The emerging strike role was first demonstrated during 1995 NATO operations in Bosnia, when Tomcats from VF-41 successfully destroyed an ammunition dump using GBU-16s (1000 pound laser guided bombs) with F/A-18s providing target lasing. With a LANTIRN initial operational capability in June 1996, the Navy will rapidly increase the total number of multimission, precision strike capable aircraft in today's air wings. Additionally, the F-14B Upgrade program will provide the fleet with enhanced survivability and digital improvements in 81 aircraft. The F-14B, along with the F-14D, will provide the Navy with flexibility for additional warfare capabilities in the littorals until replaced by the F/A-18E/F or the Joint Strike Fighter, or both.

EA-6B Prowler: With the scheduled retirement of the U.S. Air Force EF-111A Raven jammer, the EA-6B Prowler will assume the role as the Department of Defense's primary provider of standoff radar jamming. In addition to radar jamming, the Prowler will support joint operations by providing communications jamming capability and employment of the high-speed anti-radiation missile (HARM). Supporting the EA-6B's expanding role in joint operations requires all 127 aircraft in the inventory and the re-establishment of two squadrons in FY96 and FY97. Navy and Marine Corps EA-6B squadrons will be deployed overseas at U.S. and coalition air bases to support U.S. Air Force operations with Joint Suppression of Enemy Air Defense capability. These operations are in addition to the continuing EA-6B support to Navy carrier wings and Marine air-ground include the addition of improved four-bladed lift task forces. Emphasis in the EA-6B program is on maintaining aircraft safety and inventory levels,

achieving a standardized configuration and improving warfighting capability.

SH-60R/Multimission Helicopter Remanufacture: The multimission helicopter upgrade (SH-60R) is a remanufacture program which will include service life extension improvements to 170 SH-60B and 18 SH-60F helicopters. Essential to future tactical rotary wing effectiveness in attaining littoral battlespace dominance, the light airborne multi-purpose system (LAMPS) combines



shipboard system to extend the range and overall capabilities of surface combatants for antisurface and antisubmarine warfare, surface surveillance and targeting of hostile threats. This upgrade brings advances in active sonar and acoustic processing, radar detection and imaging, expanded surveillance, weapons flexibility and command-and-control capabilities to a joint expeditionary force or battle group. With an initial operational capability of 2001, the SH-60R will be the Navy's centerpiece of future tactical rotary wing aviation. The integrated helicopter sensors and a real-time exchange of sensor and tactical data with the host surface combatant bring a new dimension in battlespace control to the naval commander.

UH-1N and AH-1W Four-Bladed Upgrade (4BN/4BW): The Marine Corps is examining alternatives for upgrading or replacing its aging fleet of utility and attack helicopters. Alternatives

include the addition of improved four-bladed lift capabilities to both helicopter fleets, the incorporation of an improved targeting system and an integrated weapons station on the AH-1W and various replacement options. The program will undergo an acquisition milestone review in late FY96, at which time a decision on proceeding into demonstration/validation will be made.

P-3C Orion: The P-3C sustained readiness program and out-year service life extension program will extend the operational service life and fatigue life of existing airframes to approximately 48 years, thereby delaying the requirement for delivery of a follow-on production aircraft until 2015. The antisurface warfare improvement program enhances the aircraft's ability to perform both autonomous and joint battle group missions in the littorals. Improvements will allow the P-3C to collect, correlate, and confirm tactical data and transmit information and imagery to the joint task force commander in near real-time. Both the active and reserve P-3C fleet are converted to a common avionics force that consolidates maintenance,

improves training efficiency, reduces long term logistic support cost, and maximizes Reserve forces participation.

Air-to-Ground Weapon Programs: The three most significant joint air-to-ground weapon development initiatives are the Joint Standoff Weapon (JSOW), Joint Direct Attack Munitions (JDAM), and Standoff Land Attack Missile Expanded Response (SLAM-ER). JSOW is a Navy-led joint Navy/Air Force program for a family of weapons using a common vehicle. JSOW will provide air-to-ground standoff attack capability against a broad target set during day, night and adverse weather conditions and will replace a variety of weapons in the current inventory. JDAM, an Air Force-led program, will develop adverse weather guidance kits and multi-function fusing for general purpose bombs. Recent cancellation of the Tri-Service Standoff Attack Missile (TSSAM) program placed an urgent requirement on the SLAM-ER program to meet the Department's near term requirements. SLAM-ER modifies the original SLAM, nearly doubles its range, increases penetration of hardened targets, and increases data link control range and missile survivability. It will meet the Department's near-term requirement for a Standoff Outside Area Defenses (SOAD) precision air-to-ground weapon. The Joint Air-To-Surface Standoff Missile (JASSM) is a new start program that will meet the Air Force's need for a SOAD weapon in the near term. A preplanned product improvement (P3I) version of the weapon will meet the Navy's need for a long term follow-on SLAM-ER system.

Air-to-Air Weapon Programs: The AIM-9X (Sidewinder Upgrade) and the AIM-120 (Advanced Medium Range Air-to-Air Missile) continue to be the Navy's foremost air-to-air weapons. The Navy and the Air Force continue to work closely together on both programs. The P3I version of the AIM-120 and the Navy-led AIM-9X provide an improved seeker and a more maneuverable airframe. Both are being defined in a total systems approach to avoid unnecessary dupli-



cation in capability and to assist in overall affordability of air-to-air weapons.

Expeditionary Air Support: The Marine Corps maintains the unique capability to establish and operate tactical airfields to project power ashore. Expeditionary airfields are the natural, land-based extensions of sea-based operations. The three basic components of EAF 2000 are: (1) enough AM-2 aluminum matting for construction of a 3850-by-72 foot runway, with parking areas for 75 tactical aircraft, (2) expeditionary arresting gear for tailhook configured aircraft, and (3) optical landing aids or airfield lighting. The Marine Corps is vigorously pursuing programs to reduce the logistical footprint and the time required to set up an expeditionary airfield. A research, development, test and evaluation effort is underway to reduce the AM-2 matting's weight and cubic dimension by 50 percent, while reducing installation time by one-third. An expeditionary aircraft arresting gear that will be faster to install and will increase aircraft landing parameters also is being developed. The minimum operating strip lighting system has been programmed to reduce the lighting installation time from four days to one hour while providing compatible Night Vision Goggle/Night Vision Device systems.

Amphibious Lift: Naval amphibious forces provide the most flexible and adaptive combined arms crisis response capability today and remain the nation's only self-sustainable forcible entry force. The Department of the Navy's current modernization plan will provide amphibious lift for 2.5 Marine expeditionary brigade equivalents, in accordance with Defense Planning Guidance. The future amphibious force is being shaped in the correct number and types of ships that will also allow the formation of twelve amphibious ready groups (ARGs) to meet our forward presence requirements. Completion of this plan is vital to maintaining our warfighting and forward presence capabilities.

The Department is modernizing and tailoring its amphibious fleet to provide over-the-horizon



launch platforms for the MV-22 aircraft, the advanced Amphibious Assault Vehicle (AAAV) and the already proven Landing Craft Air Cushion (LCAC). In addition to substantial qualitative advances, this acquisition strategy also addresses the quantitative goal of 2.5 MEB lift equivalents. Amphibious lift is defined by five parameters: vehicle square foot stowage capacity, cubic cargo capacity, troop capacity, VTOL capacity, and LCAC capacity. The current active amphibious fleet meets or exceeds the 2.5 MEB goal in all areas except vehicle stowage capacity. The vehicle lift shortfall is being met through a combination of active and Ready Reserve Fleet assets. We believe this reliance on tank landing ships (LSTs) and attack cargo ships (LKAs) in the Naval and Military Sealift Command Reserve Force to be an acceptable short term risk. The shortfall in vehicle lift will be corrected with the acquisition of the new LPD-17 class of ships that will incorporate improved command-and-control capabilities allowing them to operate independently with enhanced survivability features including self-defense against future cruise missiles. The first ship is programmed to begin construction in FY96 with first delivery in FY02. A critical link in the amphibious lift program, the LPD-17 class, will replace the aging LPD-4, LKA, LST and LSD-36 classes of ships. Once construction of the twelve LPD-17s is complete, the goal of forming twelve modern amphibious ready groups can be achieved. The seventh LHD will be the twelfth ARG centerpiece and will start construction in FY96. Delivery of the final two LSD 49 class ships will be made in the next three years.



Advanced Amphibious Assault Vehicle (AAAV):

Currently in the demonstration/validation phase of the acquisition process, this is the Marine Corps' number one ground program. When procured, the AAAV will replace the 30-40 year old AAV7A1 inventory, providing a quantum leap in maneuverability, speed, firepower and survivability. With its ability to maintain high speeds during waterborne assaults, the AAAV will improve forcible entry capability while minimizing exposure to enemy fires. Once ashore, the AAAV will provide Marine ground forces with superior tactical mobility and the speed and maneuverability to integrate with tank forces. For the first time, Marines will be able to directly link maneuver of ships with the landing force maneuver ashore, fully complementing the MV-22's capabilities.

"This Ship is built to fight, you had better know how."

ADM ARLEIGH BURKE

At the Christening Ceremony of the USS Arleigh Burke (DDG 51)

Arleigh Burke (DDG-51) Class Destroyer: Joint strike capability is significantly strengthened by the introduction of the newest version of the Arleigh Burke-class guided missile destroyer. This state-of-the-art warship is critical to the Navy's modernization plan. Continued acquisition is needed to support surface combatant force levels and multimission capabilities essential in littoral warfare. The DDG-51 operates both offensively and defensively in multi-threat environments. It plays an integral part in power projection and strike missions through its land attack cruise missile capability. It also provides battlespace dominance and area defense capability for carrier battle groups, surface action groups, amphibious ready groups and joint expeditionary forces. In order to keep pace with advancing technologies and stay ahead of emerging threats, the Navy constructs Aegis destroyers in "flights" to introduce improvements in combat capability continuously. Of the 21 planned Flight I Aegis destroyers, 13 are in commission. The remaining eight Flight Is, seven Flight IIs, and four Flight IIAs are under contract. The Aegis destroyers requested this year will continue to incorporate Flight IIA warfighting improvements, including improved surface-to-air missiles (SM2 Block IV and Evolved Sea Sparrow Missile), embarked helicopters and the Battle



Force Tactical Trainer. Future ships will include other essential improvements such as AN/SPY-1D(V) EDM-4B radar upgrade, Cooperative Engagement Capability and Theater Ballistic Missile Defense capability.

Area Defense: Area defense of carrier battle groups, surface action groups, amphibious ready groups and joint expeditionary forces remains a preeminent warfighting requirement for our anti-aircraft warfare (AAW) surface ships. Future ships will include essential capability improvements to the SPY-1 radar, Joint Tactical Information Data System (JTIDS) and Cooperative Engagement Capability (CEC) in order to pace advancing technologies and to remain ahead of emerging threats. SPY radar improvements will provide for better surveillance, detection, tracking and engagement support against the demanding supersonic low altitude cruise missile, theater ballistic missiles and electronic countermeasures (ECM) environment. JTIDS will provide better data link connectivity with Navy and other services while CEC will provide sensor netting with off-board Navy and joint sensors, allowing better situational awareness, battlespace management and weapons employment.

Common Missile Development/Standard Missile: The Navy is continuing to build on the proven Standard missile family by adding capability to counter existing and emerging threats. With over 70 countries now capable of employing anti-ship cruise missiles, and with the addition of the theater ballistic missile defense challenge, the Navy is capitalizing on previous fiscal investments in the Standard missile. The Navy plans to evolve this common missile base to counter specific threats and to improve these missiles to perform multiple missions, thereby preserving combat flexibility and magazine load out space. Presently two new block upgrades are progressing toward production. The SM-2 Block IV will complement SM-2 medium range missiles aboard Aegis cruisers and destroyers equipped with the vertical launching system. Following successful completion of a series of four SM-2 Block IIIB flight tests,

approval was granted to proceed to a Navy program decision meeting in FY96. The SM-2 IIIB missile incorporates a dual mode seeker for improved countermeasure resistance and will also be deployed aboard Aegis cruisers and destroyers. A new version, the SM-2 Block IVA, will build on the Block IV while spanning two mission areas, providing cruise missile defense and area theater ballistic missile defense.

Theater Ballistic Missile Defense (TBMD): Sea-based theater ballistic missile defense is considered essential to protect expeditionary, forward-deployed elements of our Armed Forces and to support the defense of friendly forces and threatened coalition allies, including population centers. In response to the Joint Requirements Oversight Council's Theater Missile Defense Mission Needs Statement, and to meet an urgent national requirement, the Navy is developing a sea-based TBMD. Naval Area TBMD, to be fielded in FY98, is critical to support littoral warfare. It will provide the nation's only forcible entry capability in the face of TBM attack. Naval Theater-Wide TBMD is equally important to providing defense in depth over an entire theater of operations. Advantages of naval TBMD include the ability to operate independently of constraints, with no need for airlift in the critical early days of conflict, high survivability, rapid relocation capability, self sustainability and dramatic cost effectiveness by leveraging existing capabilities and engineering base. Both the area and theater-wide programs, as currently designed, comply with the ABM treaty.

Tomahawk Baseline Improvement Program (TBIP): The Tomahawk land attack missile (TLAM) provides Navy surface combatants and attack submarines with the unique capability to conduct long range precision strikes from the sea. The FY97 budget request provides funds to upgrade the Tomahawk Missile and its associated command-and-control system, which targets and plans strike missions. The TBIP will improve accuracy by a factor of two and reduce the missiles required per target by incorporating Jam-Resistant GPS and inertial navigation systems. The mis-

sile will have a dual anti-shipping and land attack warhead with hardened target penetration capability which will expand potential targets to include weapons bunkers, buried POL storage, bridges and armored doors. The advanced Tomahawk weapon control system and afloat planning system will improve tactical responsiveness and reliability by reducing mission planning timelines and limiting the possibility of collateral damage. Developing concepts include improving Tomahawk performance in a tactical role. This will include in-flight communications, various warheads, sub munitions and real-time targeting.

Naval Surface Fire Support (NSFS): NSFS is the coordinated use of sea-based weapon systems to provide offensive support to the maneuver commander ashore. During the early phases of an amphibious assault, NSFS provides necessary fire support to the landing force. Once organic artillery is operational ashore, NSFS complements the firepower available from artillery and close air support. The Navy-Marine Corps team has embarked on an aggressive development program that will significantly improve range and lethality of our surface fire support prior to 2001. The program plan to increase range and improve effectiveness includes improvements to existing MK 45 five-inch guns and propellants and development of gun-launched guided projectiles. In addition, we are conducting shipboard firing tests of ATACMs, SLAM and Standard missiles to evaluate future employment of fast reaction missile systems in support of forces ashore.

Trident SSBN and D-5 Missile: The Trident II D-5 missile is the most capable and survivable weapon in the strategic triad. The only strategic ballistic missile currently in production, the Trident II D-5 missile will provide the U.S. with a modern and credible strategic deterrent for the foreseeable future.

In September 1994, the Department of Defense completed the Nuclear Posture Review. This comprehensive assessment, which is predicated on the ratification of the START II Treaty, determined



that the optimal force structure for the nation's sea-based leg of the strategic triad would be 14 Ohio (SSBN-726) class submarines, all equipped with the Trident II D-5 missile. To meet this requirement, four Ohio-class submarines currently equipped with the Trident I C-4 missile will be upgraded to carry the larger and more capable Trident II D-5. If the START II treaty is ratified, four other Ohio-class submarines could be converted to non-strategic service — enhancing conventional strike and/or providing special operating forces platforms — or be dismantled.



Seawolf (SSN-21) - Class Attack Submarine: Seawolf-class submarines were designed to operate autonomously against the world's most capable

submarine and surface threats; these impressive capabilities translate directly into enhanced joint warfighting performance in high threat littoral areas. These multimission combatants will set the standard for submarine technology well into the next century. In addition to their abilities to counter enemy submarines and surface shipping, Seawolf-class submarines are ideally suited for battlespace preparation roles. Incorporation of sophisticated electronics greatly enhances indications and warning, surveillance and communications capabilities. These platforms are capable of integrating seamlessly into a battle group or shifting rapidly into a land battle support role. With twice as many torpedo tubes and a 30 percent increase in weapons magazine size over Los Angeles (SSN-688) class submarines, the Seawolf is exceptionally capable of establishing and maintaining battlespace dominance. The Seawolf's inherent stealth fits well into the clandestine nature of Special Operations Forces missions and enables surreptitious insertion of combat swimmers into denied areas with minimum risk to U.S. forces. The SSN-23 will incorporate Special Operations Forces capabilities, including a dry deck shelter and a new, specially designed combat swimmer silo. The shelter is an air-transportable device that piggybacks on the submarine and can be used to store and launch a swimmer delivery vehicle and combat swimmers. The silo is an internal lock-out chamber that will deploy up to eight combat swimmers and their equipment at one time. Seawolf-class submarines will allow us to maintain our preeminent role in submarine operations.

New Attack Submarine (New SSN): The New Attack Submarine (NSSL) design has been tailored for the 21st Century joint littoral operations envisioned in the Navy Department's *...From the Sea and Forward...From the Sea* strategic concepts. Uniquely suited for all operations in the littoral, the NSSL incorporates the best new technologies and is designed for flexibility and affordability.

The NSSL maintains U.S. undersea superiority against a continuing Russian submarine develop-

ment and construction effort. Its designed-in flexibility includes provisions for mission specific equipment, carry-on electronics, alternative weaponry and remotely operated or autonomous vehicles. Improved electromagnetic and acoustic stealth will ensure the NSSL's ability to destroy advanced capability submarines expected in hostile littoral areas. Additionally, the NSSL will be able to interdict shipping or defend Sea Lines of Communication, a role that will become increasingly important as the number of overseas bases is reduced.

The New Attack Submarine also plays a pivotal role in the Navy's acquisition investment plan. By the year 2011, SSN-688 class submarines will start to reach the end of their service lives at a rate of 2-4 per year. The Navy needs to achieve a low, continuous and efficient submarine introduction rate by 2002 in order to sustain SSN force levels. Starting the NSSL in 1998 accomplishes this goal, effectively counters an ever increasing and sophisticated submarine threat and is the foundation for future development and technology insertion into the submarine force.

Unmanned Undersea Vehicles (UUV): Clandestine mine reconnaissance is the Navy's top UUV priority. Learning the full dimension of the mine threat without exposing reconnaissance platforms is vital to execution of maneuver warfare. An initial capability, designated the Near Term Mine Reconnaissance System (NMRS), is a mine-hunting UUV launched and recovered from a 688-class submarine's torpedo tube. The UUV, in combination with an SSN, represents a clandestine system capable of providing time-sensitive information on mining activities to the theater commander. The NMRS will provide an effective and much needed capability to the fleet in FY98. The long term mine reconnaissance and avoidance system will leverage developing technologies and lessons learned from the NMRS. This system will be capable of launch from submarines and will reach areas over the horizon to develop a thorough and accurate minefield reconnaissance picture.

Mine Warfare: This essential supporting warfare capability is integral to the ability of naval forces to effectively open and maintain Sea Lines of Communication, assure the unimpeded flow of regional forces and shape and dominate the littoral battlespace. An array of modern systems continues to be developed and procured for our mine countermeasures (MCM) forces, which are among the best in the world. Our airborne MCM forces provide the only rapid deployment MCM capability available today. This capability will be enhanced with the completion of the mine countermeasures helicopter carrier in 1996. Also significant is the addition of the MK 37U variable depth mechanical sweep. The Osprey (MHC-1) class coastal mine hunters are being delivered at a rate of two per year and are performing to specifications. Efforts to defeat mines in the difficult surf zone region such as the shallow water assault breaching system and the distributed explosive technology are on schedule. Another system being supported within our program to improve our MCM capability is the remote minehunting system (RMS) which will provide an organic, surface ship hosted mine reconnaissance capability. The addition of RMS to the surface MCM force means fewer ships will have to enter minefields to neutralize mines.

Medium Tactical Vehicle Remanufacture

(MTVR): In October 1995, the MTVR program launched into the engineering and manufacturing development phase of the acquisition process to fill Marine Corps unique requirements for on- and off-road mobility. Under this program, the aging fleet of Marine M809/M939 series trucks will be remanufactured, making it the most capable cargo truck in its class in the world. By integrating many of the industry's standard truck components on the existing five-ton truck, its mobility, range and capacity is greatly increased while retaining a smaller footprint to meet expeditionary requirements. Once fielded, the added mobility provided by independent suspension, all-wheel drive and an automatic tire inflation system will allow Marine support elements to keep pace with the faster moving maneuver elements on the battlefield.

Many of the improvements are specifically designed to reduce life cycle maintenance costs.

Light Weight 155 Artillery (LW155): The LW155 is a joint Marine Corps/Army program with the Marine Corps as the lead service. Prototype evaluations have been completed, and based on successes in the operational assessments, the program is anticipated to move into the engineering and manufacturing development phase in early 1996. The LW155 is designed to improve markedly the tactical and strategic mobility of artillery units because of its light weight, resulting in the enhanced ability of Marine commanders to provide indirect fire support to engage forces. Current development of new artillery ammunition will provide even greater range and lethality for the LW-155. It will be transportable by five-ton cargo trucks or MTVR, MV-22 and the CH-53D/E.

Navy Sealift: The coming year will see the Navy continuing its historical commitment to a strong strategic sealift capability. In the 1980s a \$7 billion investment in strategic sealift spawned the fast sealift ships, a modernized Ready Reserve Force, and the core of our modern afloat prepositioned force. The 1990s will see another investment of \$7 billion. Ongoing strategic sealift acquisition and readiness initiatives will expand surge, afloat prepositioning and sustainment capabilities. Never has the Navy been more determined to carry out its enduring mission of strategic sealift. We will deploy and sustain U.S. military forces, wherever needed, through the delivery of combat and combat support equipment, petroleum products and other supplies. Desert Shield/Desert Storm confirmed the need for a mix of sealift operational capabilities that offers prepositioned assets in strategic locations, surge shipping of critical weapons and heavy military equipment and sustainment shipping of supplies needed by U.S. forces in any theater of operations. We are committed to maintaining a strong sealift force and increasing its readiness level in order to meet DoD's ocean transportation requirements by three operational strategies — prepositioning, surge and sustainment.

Prepositioned Sealift: The Navy established its prepositioned force in the early 1980s in order to improve response time for delivery of urgently needed equipment and supplies to a theater of operations during war or contingency. Over the last decade this force has increased in importance and grown in number as the Department of Defense has reduced the number of troops and resources forward deployed. Prepositioned assets are able to transport equipment and supplies quickly to theaters of operation where they can be used by arriving military personnel. This is essential to the Department of the Navy's guiding strategy of *Forward . . . From the Sea*.

Afloat Prepositioning Force (APF): The APF is divided into three groups: 13 maritime prepositioning force (MPF) ships, loaded with Marine Corps equipment; 14 Army war reserve ships, including 3 ships that support a U.S. Army heavy brigade; and 7 prepositioned ships dedicated to multiservice requirements such as transporting fuel for the Defense Logistics Agency, ammunition for the Air Force and a field hospital for the Navy.

Maritime Prepositioning Force (MPF): The 13 ships of the MPF continue to be a vital part of the Marine Corps ability to respond quickly to crises worldwide and will significantly improve operational flexibility for combat, disaster relief and humanitarian assistance operations. In 1995, to ensure even better response, Maritime Prepositioning Squadron (MPS) One relocated forward from the continental United States to the Mediterranean. Procurement of an additional ship for MPS — known as MPF enhancement — will provide the Marine air-ground task force enhanced capabilities in naval construction, medical support and expeditionary airfield construction. The first MPF enhancement ship is planned for delivery by FY98, with procurement of the second and third ships to occur after the large, medium-speed roll-on/roll-off (LMSR) ship program is completed.

Norway Air Landed Marine Expeditionary Brigade (NALMEB): The NALMEB remains an

ideally positioned, cost effective deterrent to assist in the protection of NATO's northern flank. A new burden sharing agreement governing NALMEB went into effect this fiscal year. This agreement significantly reduces program costs and serves as a tangible re-affirmation of U.S. commitment to NATO and to our Norwegian allies.

Surge Sealift: Surge shipping is the immediate transportation of heavy military equipment that our forces will need to meet warfighting requirements. The Navy's surge capability depends on a mix of sealift, including eight fast sealift ships, Ready Reserve Force ships and chartered ships from private industry. As a result of the 1992 Mobility Requirements Study, the Navy is currently undertaking a sealift expansion effort to increase DoD's ability to move military equipment quickly in the event of a contingency or war. The study highlighted a strategic sealift surge and afloat prepositioning shortfall of five million square feet and recommended the acquisition of ships to meet it. This enhanced sealift capability was validated by the Mobility Requirements Study Bottom-Up Review Update, signed by the Secretary of Defense on 28 March 1995. Specifically, the updated study recommends that DoD add three million square feet of surge shipping and two million square feet of prepositioned shipping by the year 2001. This translates to 19 large, medium-speed roll-on/roll-off ships (LMSRs): 11 for surge and 8 for pre-positioning.

The LMSRs are ideally suited to transport large military vehicles and other equipment and cargo that cannot be containerized. Those LMSRs designated for the Afloat Prepositioning Force will provide strategically located, at-sea storage for military equipment and supplies, making them immediately available for transport to potential contingency sites around the world. LMSRs designated as surge shipping assets will provide the Navy with the capability to rapidly deploy the military equipment and supplies needed by U.S. troops in a theater of operations. In order to acquire the 19 LMSRs by 2001, the

Navy's sealift acquisition program calls for the conversion of 5 existing commercial ships and new construction of 14 ships. These ships will begin delivery in 1996.

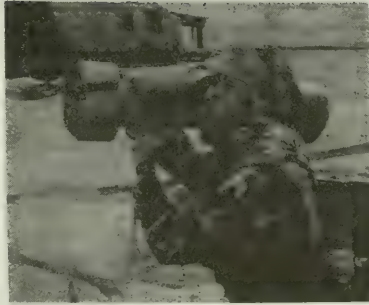
The Mobility Requirements Study also recommended that the Ready Reserve Force (RRF) include a total of 36 RO/ROs by 1996, which would provide additional surge sealift for rapid response in time of crisis. To reach that total, the study concluded that DoD required 19 additional RO/ROs. Currently there are 29 of the required 36 RO/ROs in the Ready Reserve Force. Two additional ships were procured in FY95 and will join the force after they are upgraded to meet U.S. Coast Guard standards in 1996.

As of FY96, Ready Reserve Force program funding was transferred from the Department of Transportation to DoD, and will be executed by the Navy. The Navy will pursue the acquisition of the remaining five RO/ROs.

Our surge shipping capability was successfully tested in mid-September 1994 when we activated a dozen RO/ROs, a crane ship, and a barge carrier from our Ready Reserve Force to move unit equipment quickly from Fort Bragg, North Carolina and Fort Drum, New York in support of the deployment of U.S. forces to Haiti. Additionally, another three vessels from the Ready Reserve Force were activated to support the British Army's deployment in Operation Quick Lift and again in Operations Joint Venture and Joint Endeavor to Bosnia. Their successful activation demonstrated the value of the Ready Reserve Force surge shipping for both U.S. and allied forces.

Short Range Anti-Armor Weapon (SRAW):

The SRAW, also known as Predator, is a unique Marine Corps anti-armor program. SRAW will provide the Marine Corps with a lightweight (< 20 lbs) anti-tank weapon capable of defeating armor threats from current and future main battle tanks at ranges up to 600 meters, including those equipped with explosive reactive armor or supplemental armor kits. Its soft-launch capability will



permit firing within enclosed spaces. During 1995, the design of the SRAW was completed and engineering models were fabricated for subsequent test flights in 1996. Production is planned to begin in 1999 following the completion of the engineering and manufacturing development phase. A joint effort relationship was established in 1994 with the U.S. Army's Multi-Purpose Individual Munition program, which will use the SRAW's flight module and launcher assemblies.

Marine Air-Ground Task Force (MAGTF) C4:

Littoral operations — operations that cross the boundaries among air, land and sea — continue to be the focus of the Marine Corps. Therefore, the MAGTF must be both interoperable with the Navy afloat and with forces ashore and in the air. The most important programs for making this happen are the Joint Maritime Command Information System (JMCIS) and the MAGTF C4I migration to full Global Command and Control compliance, amphibious ship C4I upgrades and the integration of systems such as the Position Location Reporting System (PLRS) into Naval C2. Additionally, as a full participant in the Joint Tactical Information Distribution System (JTIDS), the Marine Corps remains committed to the migration to common data links and other joint C4 programs as well.

Critical to ongoing migration is the procurement of new equipment and upgrades to older equipment. The Marine Corps continues to spend a large

portion of its procurement budget for these systems. Among these are:

- MILSTAR extremely high frequency terminals
- Tri-band super high frequency terminals
- Enhanced Manpack ultra high frequency terminal
- Single channel ground and airborne radio system (SINCGARS)
- Tactical Data Network
- Defense Message System
- Position Location Reporting System Product Improvement Program (PIP)
- AN/MRC-142 PIP
- Global Command and Control System

Of these, SINCGARS is considered one of the most important. Fielding was completed in 1995 to I MEF, and II MEF fielding is under way. Delivery to III MEF and the Reserve is scheduled to begin in August 1996 and August 1997, respectively.

In addition, the Marine Corps is upgrading the communications infrastructure at its bases and air stations to include new telephone switches and fiber optic cable installation.

Joint Maritime Command Information System (JMCIS) Strategy:

The Navy version of the OSD migration path uses a single software engineering approach. JMCIS is the C2I implementation of the Navy's Copernicus strategy for a common C4I architecture. JMCIS uses a common operating environment, common application programming interfaces, common integration standards for developers and a common human/computer interface to ensure modularity and functional interoperability among various applications at all levels of com-



mand. JMCIS is the Navy's migration strategy to full Global Command and Control System compliance.

Global Broadcast Service (GBS): Another major Copernicus effort, GBS is a revolutionary advancement in communications, providing high data rate service to many users at once and very high delivery rates to very small user terminals. No other currently fielded DoD satellite provides this type of capability.

Joint Maritime Communications System (JMCOMS): Under the JMCOMS effort, the Navy is migrating multiple communications programs into a common architecture to functionally provide the Copernicus tactical communications pillars. All Navy tactical communications will move technologically from stand-alone networks on specific satellites to an integrated network management concept that will allow the operator to use both military and commercial satellite communications, greatly multiplying capacity. JMCOMS will provide an integrated network manager that will implement an automated tactical voice and video network. This program is currently conceptual in nature and is planned to be implemented in incremental stages.

Digital Wideband Transmission System (DWTS): DWTS provides secure, bulk-encrypted voice and data, ship-to-ship and ship-to-shore communication at data rates up to 2.048 Mbps, operating over UHF Line-of-Sight. This system is also capable of supporting conditioned diphas, full duplex, TRI-TAC communications. DWTS will provide the necessary communications path to support joint task force, amphibious task force and landing force staffs in expeditionary warfare planning and operations. It will be inter-operable with both Marine Corps and Army wideband systems currently in use.

Navy Tactical Command System-Afloat (NTCS-A): The afloat segment of the Global Command and Control System is common operating environment compliant. It provides the tac-

tical commander with timely, accurate, and complete all-source information management, display and dissemination capabilities. These include multisource data fusion and distribution of command, surveillance, meteorology, oceanography and intelligence data and imagery to support warfare mission assessment, planning and execution.

Navy and Marine Corps Intelligence Systems: The Navy and Marine Corps team is significantly increasing the effectiveness of its intelligence organizations. The Marine Corps is developing a self-sustaining intelligence occupational field. Numerous changes in the organization and manning of intelligence units also will enhance human intelligence capabilities and support intelligence collection, analysis and dissemination in the operating forces. Under the joint umbrella, the Navy and Marine Corps continue to install the Joint Worldwide Intelligence Communications System to allow maritime forces greater access to the national intelligence community. This is now the core architecture for SCI communications at all levels—National Command Authorities, Unified Commanders, Joint Task Forces and Tactical Commanders.

Improvements in tactical intelligence capabilities are being addressed through enhanced RDT&E and procurement investment programs within the Joint Military Intelligence Program and Tactical Intelligence and Related Activities. The Marine Corps is addressing shortfalls in its imagery interpretation capability through fielding of manpack digital camera systems, secondary imagery dissemination systems and initiatives to improve access to national and theater collectors under the Joint Services Imagery Processing System (JSIPS). The National Input Segment of the JSIPS is located at Camp Pendleton, California and manned by the Marine Corps Imagery Support Unit. A tactical exploitation group will be deployed with each MEF to receive, process and disseminate imagery from F/A-18D ATARS-equipped aircraft, UAVs, the U-2 and other theater and national collectors.



Improvements to Marine Corps signal intelligence capabilities include the Radio Reconnaissance Distribution Device fielded to the Radio Battalions during the summer of 1994, the Portable Automated Computerized Lightweight Expandable

Search System and product improvement upgrades to the Mobile Electronic Warfare Support System, the Technical Control and Analysis Center and the Team Portable Communications Intelligence System. Systems that will help the Marine Corps benefit from the latest commercial technology and maintain our signal exploitation advantage over potential adversaries are additionally being pursued in projects such as the Cryptologic Carry-on Initiative and radio battalion modifications.

Key Navy systems also include the Cryptologic Carry-on Initiative, which matches new intelligence requirements with the latest commercial technology to more rapidly field compatible hardware. This initiative will meet tactical requirements through a central clearing house. The joint staff selected the Naval Warfare Tactical Data Base (NWTDB) as the process model for the Global Command and Control System (GCCS). The Joint Deployable Intelligence Support System (JDISS) has largely solved the operability problem for joint U.S. operations and for operations with NATO and U.N. forces. JDISS provides a responsive, secure exchange between and among intelligence centers and operational commanders. JDISS gives commanders what they need, when then need it, by providing "demand pull" as well as "smart push" intelligence. Finally, Intelink has been established as the intelligence community's version of the Internet, providing intelligence from an easy-access bulletin board.

To meet the need for properly trained intelligence personnel, we have formed three centers of excellence for Navy and Marine Corps Intelligence Training. These centers provide Service training and host Joint Task Force, Joint Targeting, Joint Intelligence Center and Joint Information Warfare courses. Both in the schoolhouses and during exercises and operations, the Naval Intelligence Doctrine (NDP-2) and the Naval Component Intelligence Tactics, Techniques and Procedures (now Naval Warfare Publication 2-01) apply joint doctrine to naval intelligence during peacetime, crisis and wartime.

Unmanned Aerial Vehicles (UAVs): The Navy and Marine Corps Team continues to refine its requirements for UAVs. Promising new systems now in development include the Medium Altitude Endurance (MAE)/Predator and High Altitude Endurance UAVs. The Navy plans to test the feasibility of landing and launching the MAE from the deck of an aircraft carrier. These platforms would give the Navy the capability to conduct surveillance of small mobile targets for long periods of time, greatly improving our awareness of the battlefield. Naval forces are today employing the Pioneer UAV, based from Sixth Fleet amphibious ships, in Bosnian Operations.

Information Warfare: The new concept of Information Warfare (IW) is accompanied by substantive operational progress. The Naval Information Warfare Activity is the principal technical agent and interface among Service and national level agencies engaged in the pursuit of IW technologies. It is also the technical agent for development and acquisition of counter-C2 and C2-protect systems and is the technical support activity for the full range of IW actions. In addition, the Navy established the Fleet Information Warfare Center charged with developing IW/C2W tactics, procedures and training responsive to fleet commanders. They deploy IW/C2W trained personnel and systems to support naval forces.

X. CONCLUSION

As part of our continuing effort to maintain the future relevance of naval forces, we are completing the development of a new naval operational concept that will serve as a coherent link between the naval services' strategic concept presented in *From the Sea*, as well as *Forward. . . From the Sea* and the tactics, techniques and procedures in Navy and Marine Corps doctrinal publications. The concept will logically support our National Security Strategy and National Military Strategy while highlighting the unique operational and warfighting capabilities that naval forces provide to our nation. As we proceed, we will continue to emphasize our underlying priorities of people, readiness, innovation, modernization and efficiency.

During the past year, the Navy and Marine Corps always answered the nation's call with success. We are proud of our achievement in making the strategic vision of *Forward. . . From the Sea* a compelling reality. In places as diverse as Kuwait, Somalia, Haiti and Bosnia, the Navy-Marine Corps team has been, and is now forward deployed and engaged in the full range of operations from peacetime presence through humanitarian assistance to crisis response. That achievement is the result of the effort of many people over the past year and is the most important indicator of naval expeditionary capability *Forward. . . From the Sea*.

***"Fortune favors the bold and
there is no force bolder than
the Navy and Marine Corps
team."***

***John H. Dalton
Secretary of the Navy***



The CHAIRMAN. Thank you very much, Mr. Secretary. A little history note, if I might, at this time. Mr. Stump just told me that he got out of the Navy 50 years ago today—

Mr. HUNTER. That was a big part of your problem.

The CHAIRMAN. Senator Thurmond was commissioned a second lieutenant in 1924. We have got quite a history behind us.

Madam Secretary, we will be pleased to hear from you.

STATEMENT OF SHEILA E. WIDNALL, SECRETARY OF THE AIR FORCE

Secretary WIDNALL. Thank you very much, Mr. Chairman, Congressman Dellums, members of this committee. Thank you for the opportunity to appear today with my colleagues to discuss plans and priorities for the military services. Although our tools and missions differ, I think you will see that we come to you with similar concerns; to attract and retain the quality people we need to perform our missions, and to proceed with the modernization programs we have defined in close consultation with the CINC's to ensure our future capabilities.

As in the past, I have submitted an extended posture statement for the record, but I would like to take a few minutes to focus on some priorities.

The Air Force, like our sister services, has had a comparative break in modernization over the past few years. We could afford that for a limited time, given the high quality of our fielded forces, but it is imperative now that we move ahead with our new programs. So we have carefully constructed a time-phased modernization plan that balances the needs of the CINC's against fiscal realities.

Over the next decade, that plan meets the operational requirements established by our combatants commanders and postures the Air Force to provide America the most capable and efficient air and space forces possible both for today and for the future.

Our most more near-term priority, the C-17, is designed to fill our most urgent operational shortfall. The CINC's identify strategic lift as DOD's greatest single deficiency. The C-17 will satisfy this demand and maintain the health of our strategic airlift fleet.

With its ability to operate from small airfields and in hostile environments, to deliver oversized and outsized cargo wherever we need it, the C-17 is an essential resource for our war fighters. We have all seen its capabilities in Bosnia and I think the advantages it offers are clear.

Over the midterm of our modernization efforts the focus is on conventional bombers and smart munitions upgrades to provide our national command authorities and the CINC's a quick reaction global capability while other forces are still in the deployment phase.

In the long term, our most urgent need is to modernize our fighter force. By the time the F-22 reaches IOC in 2005 the F-15 will be in its fourth decade of active service as our frontline fighter. We have concentrated on upgrading that aircraft to preserve its capability, but airframes, age, and nations around the world have caught up with us in technology.

We must ensure that we can win air supremacy against any opponent, for only that supremacy offers our forces freedom of action throughout the battle space. In the coming decade, the F-15 will not give us that assurance. The F-22 will. Its combinations of supercruise, stealth, and advanced avionics make it an unmatched adversary. It will embody the information revolution in warfare.

More importantly, the air superiority it guarantees will nail us to protect and operate the range of information platforms, AWACS, JSTARS, and RIVET JOINT being the most obvious examples, that we will rely on to give our commanders the information dominance they need to win. It is the only fighter either fielded or in development today that will have that capability.

It is the linchpin to success not just for the air battle, but for the theater campaign as a whole; 5 years after the F-22 reaches IOC, the joint strike fighter will enter the force. As the F-16 complements the F-15, providing a lower cost multirole complement, so the joint strike fighter will complement the F-22, both operationally and technically. We have structured the JSF Program to take full advantage of the technical advances developed by the F-22 and to leverage its operational capabilities as well.

Like the F-15, the F-16 will be entering its fourth decade as the most numerous fighter in our inventory by the time its replacement arrives on the scene. Like the F-15, it has been upgraded continually during its lifetime, but it is reaching the extent of useful development that can be done within the limits of its airframe.

The JSF will take its place in our inventory and provide the advanced avionics and reduced signatures necessary to survive on the battlefield of the 21st century. The JSF will provide another role now performed admirably by the F-16 for two decades now, of providing an affordable frontline fighter for our friends and allies around the world. It will provide the next generation fighters for both the Navy and the Marine Corps and is being designed and built in a remarkably joint program.

Some 30 years ago our predecessors on both sides of this table structured the Nation's fighter force that has served us so well in the decade since. It is now up to us to show that same foresight as we look toward the uncertain world of tomorrow. We owe this to the Nation and to the young people of today who will face the risk of combat in the decades ahead.

Finally, several of our ongoing programs span all three modernization phases: near term, mid term and far term, such as the space-based infrared system and the evolved expendable launch vehicle which will provide us continuous assured access to space.

To execute this modernization plan effectively, it is imperative that we streamline our acquisition processes and improve our business practices. That is a pass-fail item and we are already beginning to reap some significant benefits. For instance, the joint direct attack munitions, JDAM, will be delivered to the users a year early at a saving of \$1.57 billion and the PACER CRAIG Program, a navigation package for the KC-135 eliminated military specifications and reduced reporting requirements to save \$90 million in planned acquisition costs.

To date, our acquisition reform efforts and programs such as the C-17, JDAM, MILSTAR, and GPS have resulted in a total cost avoidance of \$13 billion in the Air Force alone.

We continue to find ways to be more efficient and you can help with a few. For instance, we are requesting legislative approval for the C-17 multiyear procurement. The \$900 million cost avoidance will allow us to fund other programs and, in fact, these savings have already been redistributed among the F-22 and our other key modernization efforts. Beside streamlining, we are taking a hard look at commercialization and privatization options for virtually everything, from computers to ground maintenance to base security.

Since our current focus is on depot maintenance, I visited Rome, Newark Air Force Base, Kelly, and McClellan Air Force Bases to check on our progress. We are making strides, but a number of barriers remain. For instance, the law limiting private sector depot effort to 40 percent of our depot funds must be changed to allow flexibility and ensure success in this area.

Not only does this help contractors work more efficiently, it saves taxpayer dollars. Despite some upheaval, our people realize the advantages inherent in the privatization efforts. They are enthusiastic about the possibilities and ready to make it work as long as we help eliminate some of the hurdles.

That brings me to the next major Air Force priority, attracting and retaining motivated, high quality people. As a force that relies heavily on its technological advantage, we must retain our well-trained, experienced men and women. Quality of life is the No. 1 reason they remain in the Air Force.

When we ask our people how they are handling the stress of new missions and high operations tempo, they consistently tell us that they are ready to face up to just about anything. They understand the importance of what they are doing. They ask only that their families be well taken care of.

Thank you for your support in the past. We look forward to increasing success that guarantees the welfare of our people. As I speak, we have 11,000 people deployed around the globe supporting operations in Bosnia, Iraq, the Caribbean, and South America. Since Desert Storm, we have averaged three to four times the level of overseas deployment as we did during the cold war.

Another 80,000 of our roughly 400,000 are permanently stationed overseas. We are doing what we can to alleviate the stress by distributing the deployment burden better and looking at new ways to use Guards and Reserve. You can help those stationed abroad by approving the funds for overseas housing and other overseas construction.

Last year, this committee demonstrated a careful and measured approach that targeted our greatest needs and will have a measurable impact for our people. We appreciate your support and look forward to continuing our joint efforts in quality-of-life programs. This year we are continuing our expansion of the housing at Aviano Air Base in Italy and we desperately need dormitories at Osan in Korea. We have delayed these projects long enough. Now that our basing posture has stabilized, we must improve the living conditions of our troops.

Like our approach to modernization, we want a balanced approach toward these people-first programs. So our strategy focuses on seven priorities: compensation and benefits, housing, health care, balance PERSTEMPO and OPTEMPO, community and family programs, retirement, and educational opportunities.

The posture statement describes in more detail our efforts in each of those areas. Concentrating on those programs, we will strive to provide our professional airmen with the quality of life they deserve. Only then can we ask of them the personal sacrifice and commitment that our profession requires.

As our world grows ever smaller, American forces are the most visible forms of courage, trust, and cooperation on the planet. Air Force men and women have long been a part of the efforts to build bridges and share values. Over the past year, your Air Force has acted decisively to curb war, to feed starving people around the globe, to forge stronger bonds of friendship, and to further the spread of liberty into nations which had never before enjoyed its blessings. We will continue these efforts in the years to come and in the decades to follow. Thank you very much.

[The prepared statement of Secretary Widnall follows:]

POSTURE HEARING STATEMENT
OF
SECRETARY WIDNALL

Introduction

Good morning, Mr. Chairman and Members of the Committee. I welcome this opportunity to discuss our plans to modernize our force and support the men and women of the nation's Air Force--the world's premier air and space force. To maintain this air and space advantage, we have built a comprehensive, time-phased modernization plan to meet the needs of the National Command Authorities (NCA) and the Commanders-in-Chief (CINCs). With your support, we will achieve these objectives and preserve an acceptable quality of life for our people. Your support will ensure the Air Force continues to provide strong and credible airpower options in pursuit of our nation's security goals.

As we approach the fiftieth anniversary of our Service, we are proud and honored to say: we are the nation's Air Force--the only American military institution organized, trained, and equipped solely to exploit air and space power in the defense of our nation. We exist to fight and win our nation's wars. To that end, we are dedicated to providing America the most capable and efficient air and space forces possible--today and in the future. As a direct result, our forces give dominant warfighting capabilities to the U.S. CINCs. Specifically, the Air Force provides the joint force commander with a broad range of air and space capabilities, to include: *Air Superiority, Space Superiority, Global Mobility, Precision Employment, and Information Dominance.*



BIOGRAPHY

UNITED STATES AIR FORCE

Secretary of the Air Force
Office of Public Affairs
 Washington, D.C. 20330-1690

DR. SHEILA E. WIDNALL

Sheila E. Widnall is secretary of the Air Force. She is responsible for and has the authority to conduct all Department of the Air Force matters including recruiting, organizing, training, administration, logistical support, maintenance and welfare of personnel. Her responsibilities also include research and development, and other activities prescribed by the president or the secretary of defense.

In previous positions with the Air Force, Dr. Widnall served on the USAF Academy Board of Visitors, and on advisory committees to Military Airlift Command and Wright-Patterson Air Force Base, Ohio. Dr. Widnall, a faculty member of the Massachusetts Institute of Technology for 28 years, became an associate provost at the university in January 1992. A professor of aeronautics and astronautics, she is internationally known for her work in fluid dynamics, specifically in the areas of aircraft turbulence and the spiraling airflows, called vortices, created by helicopters. She has served on many boards, panels and committees in government, academia and industry. The Tacoma, Washington, native is the author of some 70 publications. She assumed her current position August 6, 1993.

Dr. Widnall and her husband, William, an aeronautical engineer, have two children.



EDUCATION:

1960 Bachelor of science degree, aeronautics and astronautics, MIT
 1961 Master of science degree, aeronautics and astronautics, MIT
 1964 Doctor of science degree, MIT

CAREER CHRONOLOGY:

1. 1964 - 1970, assistant professor, MIT
2. 1970 - 1974, associate professor, MIT
3. 1974 - 1993, professor, MIT
4. 1975 - 1979, division head, Division of Fluid Mechanics, MIT
5. 1979 - 1980, faculty chairperson, MIT
6. 1979 - 1990, director, Fluid Dynamics Research Laboratory
7. 1991 - 1992, chairperson, MIT's Committee on Academic Responsibility
8. 1992 - 1993, associate provost, MIT
9. 1993 - present, secretary of the Air Force

The warfighting advantages the nation's Air Force brings to the joint table spring from the expertise and dedication of our people and the technological edge we maintain in our force structure. Our well educated, technically competent, and highly motivated men and women are committed to keeping this great nation strong and free. That is why we consistently invest in cutting edge technologies that exploit the inherent operating advantages of air and space. The synergy of our dedicated, professional people and our technologically advanced force structure produces a distinct perspective on how best to apply military power through the all-encompassing air and space media. This global perspective provides our national leadership a more versatile range of military options--options that place fewer American lives at risk--to accomplish security objectives.

The Nation's Air Force

Airpower increases the alternatives available for all Service components so they can fight effectively and respond quickly to changing circumstances. Airpower can selectively degrade or erase the capabilities that support an enemy's war effort, thus diminishing or eliminating an opponent's options and ultimately defeating his strategy. This ability to limit enemy options, while simultaneously boosting the effective combat power of all our forces, makes U.S. air and space power a dominant force in its own right, as well as an indispensable force multiplier in modern combat.

The nation's Air Force is ideally suited for the challenges posed by today's security environment. Our men and women have built upon our investment in technology to create robust air and space forces capable of achieving decisive advantages against potential aggressors. As a result, your Air Force is first to arrive and first to fight. We

provide global situation awareness. We employ while others deploy. We carry the critical leading-edge components of our country's land forces to the fight and control the air to provide all forces freedom of maneuver. We sustain military forces during the fight and contribute decisive air and space assets across the theater and around the globe.

Expertly trained and highly skilled men and women are the backbone of the nation's Air Force. Today, our Service has 396,000 members on active duty, 188,000 members in the Air National Guard and Air Force Reserve, and 186,000 civilians. This year, 81,000 are forward stationed overseas and on average nearly 13,000 airmen are deployed in support of exercises and contingencies worldwide. Of that latter group, nearly 9,000 are currently deployed, and we anticipate that number increasing as we support major contingency operations overseas, such as Operation JOINT ENDEAVOR, and Air Expeditionary Force (AEF) deployments. These forces demonstrate U.S. commitment and resolve--not over the horizon, but in direct contact--24-hours a day.

When called, the talented and professional men and women of the nation's Air Force respond. During the past year, that meant delivering medical supplies to Albania, flood relief to Germany, and earthquake relief to Japan. It also included supporting United Nations (UN) mandates in Operations DENY FLIGHT, PROVIDE PROMISE, DELIBERATE FORCE, and JOINT ENDEAVOR over Bosnia; Operation PROVIDE COMFORT over Northern Iraq; Operation SOUTHERN WATCH over Southwest Asia; Operation SAFE BORDER patrolling the border separating Ecuador and Peru; Operation JTF-BRAVO in Honduras; Operations UPHOLD DEMOCRACY and SEA SIGNAL in the Caribbean; and supporting the UN Mission in Haiti.

The Air National Guard and Air Force Reserve have played an important role in supporting contingency operations. As the pace of operations increase, we rely even more on our Air National Guard and Air Force Reserve partners. They serve side-by-side with active duty airmen, performing the full range of missions that support joint and multinational operations. Theater commanders welcome the contributions of our Guard and Reserve units because they know these outfits are well equipped and expertly trained. With the dedication of our citizen airmen and with initiatives like associate flying programs, the Air National Guard and Air Force Reserve are integral to the success of the Total Force.

Air Force civilians are also key members of our Total Force team. From the flightline to the control room to the launch pad to the headquarters, our civilians give us functional expertise and institutional stability--they are our corporate memory. Some deploy with our combat forces, while others provide stability at home as our military forces deploy. In addition, as service members move between assignments, our senior civilians provide continuity in leadership, particularly during periods of high turnover. Together, we will carry the nation's Air Force into the next century.

Global Reach-Global Power

Whether conducting operations in peacetime, in times of crisis, or in war, we are fully committed to supporting the CINCs--the nation's warfighters. The air and space capabilities our airmen bring to the joint team are in higher demand than ever. We have maintained these capabilities even while reducing our overall force structure. We succeeded because we started with a clear strategic vision. That vision, *Global Reach-*

Global Power, sharpened our focus on our core air and space contributions to the National Military Strategy, allowing us to prioritize our modernization investments and shape our force drawdown.

The principles underlying *Global Reach-Global Power--Sustain Deterrence*, *Provide Versatile Combat Forces*, *Supply Rapid Global Air Mobility*, *Control the High Ground*, *Build U.S. Influence--proved successful during Operations DESERT SHIELD and DESERT STORM*. Since then, that national strategy has been more rigorously tested by global involvement in operations in Bosnia, Iraq, Rwanda, Somalia, and Haiti. It has also been tested here at home in California, Texas, Florida, New York, Oklahoma, along the banks of the Mississippi and Missouri Rivers, in Puerto Rico, and elsewhere, fighting fires, delivering relief supplies, and responding to natural disasters. Reflecting an operations tempo (OPTEMPO) far beyond our Cold War norm, these and other operations involve tens of thousands of flying hours and the sacrifices of many military members and their families. With these as examples, we remain confident that Air Force capabilities will continue to serve our nation well into the next century.

Consequently, with last year's updated National Military Strategy, focusing on "flexible and selective engagement," we are more certain than ever that our guiding construct hit the mark. Today, the nation's Air Force--Active, Guard, Reserve, and civilian--is fully prepared to fight and win our nation's wars. Since the 1992 update of our vision, we have added Information Dominance to the original five objectives to explicitly reflect the importance the Air Force places on controlling and exploiting information.

These six objectives serve as the building blocks we use for planning and programming future forces.

Sustain Deterrence

Our air and space forces are key to deterring hostile actions against the United States, our allies, and our vital interests. This is as true today as it was during the Cold War. Nuclear deterrence remains the cornerstone of national security. We provide the National Command Authorities a ready and responsive ICBM force in addition to a nuclear-capable, long-range bomber force. We also provide a reliable warning network, a secure and survivable command and control capability, an effective attack characterization and assessment capability, and dependable strategic reconnaissance platforms. All these assets contribute to the credibility and effectiveness of America's nuclear deterrent force.

Our versatile fighters and long-range bombers also offer the nation a strong, credible conventional deterrent. Their conventional munitions can stop an aggressor in his tracks. Our bombers can employ while other forces are still deploying. Conventional upgrades to our bomber force combined with acquisition of a family of smart munitions, particularly the Joint Direct Attack Munition (JDAM), Joint Stand-off Weapon (JSOW), and Joint Air-to-Surface Stand-off Missile (JASSM), will enable our forces to attack a variety of targets anywhere in the world, day or night, in good weather or bad, within hours of tasking.

Provide Versatile Combat Forces

The Air Force offers the quickest response and longest range forces available to the President in a fast-breaking crisis. We can deter, deploy for influence, or rapidly employ with lethal force anywhere in the world. Air Force bombers can launch from the U.S. and reach any point on the globe with precise, lethal strikes in 20 hours. We vividly demonstrated our long reach in July 1995 when the men and women of Dyess AFB, Texas, launched and recovered two B-1s that flew non-stop around-the-world while delivering ordnance on military training ranges in Italy, Korea, and Utah.

Our bomber roadmap is coming together. With continued upgrades, our planned bomber force of B-52s, B-1s, and B-2s will sustain deterrence, provide flexible, sustainable long-range combat power, and demonstrate resolve with their global presence capabilities well into the next century. As our highest mid-term modernization priority, the integration of precision munitions and other conventional upgrades to our bomber fleet will provide the U.S. with a high leverage force by the turn of the century. The B-2, for example, will have an accurate capability with the GATS/GAM (GPS-aided Targeting System/GPS-aided Munition) this July: furnishing us a near term capability to independently target 16 separate aimpoints on a single pass. Our modern bombers provide a force we can capitalize on for the defense of the nation, rapid crisis response, and warfighting. Air Force bombers provide the NCA with a unique long-range, lethal precision strike capability no other force can match.

Our rapidly deployable fighter forces provide us the staying power to overwhelm an opponent's forces, infrastructure, and command elements. To maintain the robustness

of our fighter forces and continue to support high-tempo, worldwide operations, we must continue our ongoing F-15E and F-16 recapitalization programs and fleetwide high-leverage system enhancement efforts.

In September 1995, NATO air operations in Bosnia--Operation DELIBERATE FORCE--once again proved airpower can have a decisive role when serving achievable, clear policy objectives. Airpower's efforts in helping to lift the siege of Sarejevo saved lives and helped pave the way for a negotiated settlement. Our successes over Bosnia have also demonstrated the expanded range of military options available to our nation's leaders when we have unquestioned air dominance.

Indeed, air superiority provides the shield that makes all other operations feasible. During World War II, all sides learned that air superiority was necessary to conduct ground operations successfully. From the beaches of North Africa and Normandy to the amphibious landing at Inchon, from the valiant defense of Khe Sanh to the famous "left hook" during the Gulf War--American air superiority proved vital. Maintaining air superiority in a major conflict or a lesser contingency requires operations deep within hostile airspace to eliminate enemy opportunities to conduct long-range reconnaissance, launch stand-off weapons, or to gain any other benefit from air operations. The F-22 incorporates revolutionary advances in airframe, engine and avionics technology, ensuring the Air Force retains the critical combat edge in air superiority.

The F-22 is the first--and the only to date--major weapons system designed to incorporate the full potential of the "Revolution in Military Affairs (RMA)." Today all the Services are seeking to understand the impact of the RMA. While others debate the

effects of the RMA, the Air Force is directly investing in it. Clearly, in contrast to other more evolutionary weapons programs, the F-22 represents a quantum leap in capability for the CINCs.

The F-22 will combine stealth, supercruise, and integrated avionics in a highly maneuverable platform that will be able to deploy rapidly to heavily defended enemy territory and achieve first-look/first-shot/first-kill. Stealth will enable the F-22 to gain surprise by entering combat undetected. Supercruise will allow the F-22 to range the battlefield rapidly and more effectively employ its weapons. Integrated avionics, including on and off-board multi-sensor collection and data fusion, will provide the pilot an unprecedented level of situational awareness. Two-dimensional thrust vectoring will greatly enhance the F-22's maneuverability, permitting a quick reaction to airborne and surface threats. Together, the F-22's stealth, supercruise, and integrated avionics will give America the most advanced, practical, and potent weapon system for ensuring freedom of operation and minimizing risk and casualties wherever military forces operate.

Many of the technological advances that are making the F-22 revolutionary also serve as critical components for the Joint Strike Fighter (JSF)--our F-16 replacement. Previously known as the Joint Advanced Strike Technology (JAST), JSF will likely serve as the foundation for other future aircraft designs. The F-22 and JSF will help us retain America's aerial combat advantage. So will improvements we are making to the current family of smart weapons.

In addition to advanced systems, we will continue to require fully trained, combat ready aircrews. To keep our forces fit to fight, we must have access to training ranges.

That access depends on cooperative use arrangements with those who have competing interests for the same land and airspace. For our part, we are committed to responsible custodial care, preserving the environmental and cultural uniqueness of our nation's resources. To guarantee that our combat aircrews remain prepared to meet the security needs of our nation, assured access to local training ranges and airspace is an Air Force priority.

Supply Rapid Global Air Mobility

America's air mobility fleet gives our nation the speed and agility to respond to the full range of contingencies--from airlifting or airdropping troops and equipment during a crisis to delivering supplies after a natural disaster. *No other nation in the world has this capability.*

Our airlifters and tankers offer the CINCs the ability to influence operations throughout the theater. Our air mobility aircraft can deploy fighting forces or provide humanitarian assistance worldwide. They enable support forces to remain airborne longer and combat forces to strike deeper. They airdrop or insert troops and equipment, sustain operations throughout the theater, provide lift for critical supplies, and provide emergency aeromedical evacuation.

To ensure we maintain these capabilities, we must modernize the fleet. Our workhorse for the last 30 years, the C-141, has served us well but is nearing the end of its service life. That is why the C-17 is our highest priority near-term modernization program.

The November 1995 Defense Acquisition Board (DAB) decision to procure 120 C-17s was the right one for the nation. The C-17 will ensure we can meet airlift requirements during major regional contingencies--especially during the crucial first 30 days. With its ability to operate from small airfields and in hostile environments, to deliver oversize and outsize cargo to forward operating areas, and to increase throughput to the region, the C-17 is an essential resource for the warfighter. It has already proven its worth in operations from the Caribbean to Bosnia.

In February, the DAB made another decision that is right for the nation: it approved a C-17 multi-year procurement plan. This seven-year contract completes the Air Force requirement for 120 C-17 aircraft at the lowest possible price--clearly, this is the best value for America. Acquisition streamlining initiatives have already dramatically reduced the cost of the C-17. This multi-year procurement proposal crowns our successful cost reduction effort. By providing contractors and subcontractors with a stable, extended buy profile, we will be able to obtain significant efficiencies over the course of this program. This contract, if approved, will save the nation nearly \$900 million.

We are also ensuring our other mobility assets remain viable. For example, we are modifying the Air Force's KC-135 air-refueling fleet and the C-5 force to improve performance, reduce maintenance required, and reduce operating costs.

Control The High Ground

The nation's Air Force exploits air and space to provide access to any point on the earth's surface. This capability gives us an extraordinary military advantage. Indeed, our

space systems have become an indispensable part of our versatile combat forces. For that reason, the Air Force is pursuing a number of key space modernization programs.

Not unlike the airlift needed to bring combat and support forces to the fight, spacelift deploys critical space systems into orbit. The nation depends on routine, affordable, and reliable access to space, but current spacelift is too expensive. The Evolved Expendable Launch Vehicle (EELV) program will provide affordable spacelift to military and commercial users. For the military, affordable spacelift will facilitate replacement of older space platforms, such as Defense Support Program (DSP), as they reach the end of their service life. In the case of DSP, we are already pursuing its replacement, the Space-based Infrared System (SBIRS) High Component, to meet the increasing demands of theater ballistic missile warning.

More than in most technical areas, space technology has historically seen a blurring of the lines between military and civilian use. The widespread commercial use of the Global Positioning System (GPS) is one example. In a bit of role reversal, however, the Global Broadcast System (GBS) is borrowing from commercial innovations to satisfy military requirements. As the DoD executive agent for multi-user space systems, the Air Force proposes to lead this fast track program through a series of three phases, including buying commercial direct-broadcast services, flying a GBS package on other DoD satellites, and finally launching our own objective system to fulfill all joint user wide band communication requirements. Managing the GBS program from within our Military Satellite Communications Program Office will ensure maximum synergy with other high

value military satellite communication programs, such as MILSTAR and Defense Satellite Communications System.

The establishment of the DoD Space Architect, to work closely with the Intelligence Community Space Architect, has been a key step toward a future, fully integrated space capability for the nation. This step, building upon previous close cooperation efforts like the SBIRS Study, holds the promise of reducing architecture costs and laying the groundwork for integrated development and acquisition of future space forces.

Ensure Information Dominance

Dominating the information spectrum has become as critical to warfare as occupying the land or controlling the air. In military operations, information is a weapon used not only to support other operations but also to attack the enemy directly. Within today's information domain, events are seen and felt at the speed of light. If we can analyze, assess, and act faster than our adversary, we will win. As the DoD executive agent for Theater Air Defense Battle Management Command, Control, Communications, Computers, and Intelligence (BMC4I), the Air Force commits time, energy, and resources to maintain this critical edge over potential adversaries.

At the heart of this process is information--collected, processed, and distributed through a joint BMC4I architecture. This "system of systems" consists of Air Force space platforms such as MILSTAR and GPS; aircraft such as the U-2, RC-135, Joint STARS, AWACS, and Unmanned Aerial Vehicles (UAVs); and ground command and control elements comprising the Theater Air Control System. During Operation DELIBERATE

FORCE, this integrated joint BMC4I architecture significantly increased the situational awareness of U.S. and NATO political leaders and military forces. This awareness improved our capacity to shape events on the ground and to respond rapidly as each situation required.

Rapid technological improvements in storing, processing, and disseminating data have sparked a greater emphasis on the role of information operations in warfare. The Air Force recently published *Cornerstones of Information Warfare* to provide a sound doctrinal basis for exploiting information capabilities while addressing our own vulnerabilities. The recently activated 609th Information Warfare Squadron at Shaw Air Force Base, South Carolina will be responsible to a Joint Forces Air Component Commander (JFACC) for coordinating a vast array of in-theater information requirements. It will orchestrate how we exploit information to support traditional operations, how we protect our own information architectures, and how we plan to attack an enemy's information capabilities. An important part of this squadron's responsibilities will include the ability to "reach back" for specific tools provided by the Air Force Information Warfare Center at Kelly Air Force Base, Texas and the Air Force Space Warfare Center at Falcon Air Force Base, Colorado.

Build U.S. Influence

The core capabilities provided by the Air Force allow the NCA to extend a helping hand, to use airpower for diplomatic and humanitarian purposes, and to support other U.S. objectives worldwide. Indeed, the first arrival of U.S. airlifters demonstrates commitment and resolve few can ignore. This presence is real and it extends across the

globe. To put it into perspective, in 1994 the U.S. Transportation Command (USTRANSCOM) executed the equivalent of five Berlin airlifts in support of operations in Somalia, Rwanda, Bosnia-Herzegovina, and Haiti. During the past year, we have kept up the same pace, supporting UN mandates in Iraq and Bosnia and conducting humanitarian mission around the world.

Global access and influence ultimately depend on the bonds of alliance and international cooperation. Partnership-for-Peace (PFP) is one of many initiatives the Air Force supports that underscore this conviction. The forward stationing of our forces, ongoing contingency operations, and multi-national exercises create numerous opportunities to strengthen alliances and project U.S. influence. The Air Force, through the Air National Guard, also supports the National Guard State Partnership Program, linking U.S. states to Central and Eastern European nations. These efforts join International Military Education and Training (IMET) and technical training initiatives, such as the Inter-American Air Forces Academy, and combine with the work our security assistance personnel and air attachés do around the globe to foster stability, sustain hope, and provide relief. Efforts like these are samples of Air Force programs that pay direct dividends by building trust and cooperation among our friends and allies.

Building the Future Air Force

As stewards of the nation's air and space forces, we have produced forces that are ready, versatile, and tailored to support our National Security Strategy. We will continue to execute our responsibilities with the disciplined approach we have followed in the past. This approach is based on four key commitments:

- We will define our operational requirements and provide national capabilities with a clear vision of what we contribute to the U.S. military's joint team.
- We will fill those requirements with a lean and agile acquisition system.
- We will recruit quality people and ensure they are trained and motivated to operate in a disciplined manner and to exhibit and respect Service core values.
- We will ensure our people and their families have the quality of life they deserve as they serve our nation.

Balanced, Time-Phased Modernization

In 1990, the Air Force undertook a thorough analysis of its future potential contributions to national security. The result was *Global Reach-Global Power*, which we published in 1990. In 1993, the Department of Defense conducted a bottom-up review (BUR) of our National Military Strategy. The BUR confirmed one of the basic premises of *Global Reach-Global Power*: "The likelihood that U.S. military forces will be called upon to defend U.S. interests in a lethal environment is high, but the time and place are difficult to predict." Events since 1993 have confirmed this assumption.

The strategic planning effort we accomplished after the Cold War focused the Air Force on core air and space contributions to the National Military Strategy, helping us prioritize modernization investments and shape our force structure. By drawing down forces early we have been able to maintain ready forces to support a key component of the BUR strategy, to fight and win two nearly simultaneous Major Regional Conflicts, while retaining the ability to respond to a wide range of lesser contingencies, without abandoning our modernization priorities.

To make the most of the nation's investment, the Air Force carefully constructed a time-phased modernization plan that synchronizes the sizing and timing of multiple programs. This approach helped us achieve our modernization objectives without creating "bow waves" in out-year budget requirements. In the past, the "bow waves" were the result of "small changes" in programs to achieve short-term savings. These "small changes" often resulted in large costs and disruption of numerous programs in the out-years.

Our time-phased approach covers near-term, mid-term, and long-term efforts. Coupling time-phasing with aggressive acquisition reform initiatives ensures that the Air Force will continue to provide our nation a broad range of capabilities at an affordable price.

Near-Term Priorities

Our CINCs identify strategic lift, air and sea, as DoD's greatest single deficiency. In response to this need, the C-17 is the Air Force's foremost near-term modernization priority.

Our C-141s are showing signs of age. At the same time, demand for airlift has increased. Based on a comprehensive analysis of strategic and tactical airlift requirements, aircraft and contractor performance, and cost effectiveness, the DAB recommended that we plan, program, and budget for the procurement of 120 C-17s. Our plan includes taking advantage of a stable multi-year procurement contracting environment at high production rates to offer substantial savings for C-17 acquisition. This will not only provide a savings, but also will enable us to fill the gap in needed airlift

sooner and finish the 120 airframe C-17 procurement prior to the peak expense years for the F-22.

The C-17 has been flying operational missions since October 1994, supporting operations in Southwest Asia, Panama, the Virgin Islands, and now in Bosnia. Concurrently, our acquisition program has exceeded expectations with the last 12 aircraft delivered to the Air Force ahead of schedule. The success of last year's Reliability, Maintainability, and Availability Evaluation (RM&AE) is solid proof of the aircraft's performance. The C-17 exceeded all key performance parameters during this rigorous thirty-day evaluation. It is clear, this is the right airplane at the right time.

In addition to these efforts to upgrade our mobility forces, we must continue to sustain the health of our combat forces until the arrival of our next generation forces, particularly the F-22 and JSF. To this end, we are continuing to recapitalize our F-15E and F-16 fleets. We are also pursuing modernization upgrades to our fighter forces and purchasing enhanced conventional munitions, such as JDAM and sensor-fused weapons, to improve their effectiveness.

Mid-Term Priorities

Conventional bomber upgrades and smart munitions improvements are Air Force mid-term modernization priorities.

The B-2 will give America a credible capability to penetrate advanced defenses and conduct precision strikes--nuclear and conventional--anywhere in the world. The B-1 will supplant the B-52 as the workhorse of our bomber fleet, while the B-52 will continue to provide a nuclear hedge and offer long-range stand-off.

Bomber upgrade programs are helping us integrate our newest conventional weapons onto all our bombers. These upgrades will give our non-stealthy B-52s and B-1s multiple target, stand-off, precision strike capabilities as well as increase their survivability. The combination of highly capable B-2s with upgrades to our existing bombers provides an affordable approach to maintain the minimum overall long-range strike capability required to “swing” between two Major Regional Conflicts.

Critical to the effectiveness of our bombers and our fighters is the continued development and procurement of smart and precision guided weapons. Stand-off, smart weapons extend the range, increase the lethality, and improve the survivability of older and newer aircraft alike. The JDAM, JSOW, and JASSM provide a balanced and affordable approach for increasing the versatility and lethality of Air Force, Navy and Marine Corps aircraft.

JDAM will significantly improve our ability to conduct adverse-weather, round-the-clock operations. JDAM adds an Inertial Navigation System and GPS-guided nose and tail kit to the MK-84 general purpose and BLU-109 penetrator bombs. JSOW is a 1000 pound class accurate glide weapon which provides us a low cost option for attacking highly defended targets from intermediate stand-off ranges. JASSM is a precision long-range stand-off weapon designed to penetrate and attack targets in high threat areas. JASSM will significantly increase our capability to hit critical, high value targets in the early stages of a conflict.

Long-Term Priorities

The F-22 is our most important long-term modernization priority--the need for air superiority is unquestioned. The F-22 will guarantee air superiority well into the next century. Its airframe and powerplant provide a highly maneuverable stealth platform capable of extended supersonic flight. Revolutionary integrated avionics--on-and off-board multi-sensor collection and data-fusion--will provide F-22 pilots unequaled battlespace awareness. The unique capabilities of the F-22 will enable the Air Force to dominate aerial environments--operating at will over hostile or contested territories, attaining unprecedented first-look, first-shot, first-kill successes, while protecting the many high-value assets necessary for success in modern military operations.

We have sized and sequenced the F-22 Program to meet critical warfighting requirements at a cost the nation can afford. This sequencing is critical. When the F-22 meets its initial operational capability in 2005, it will replace the F-15C--a 35 year old weapon system that will no longer be able to counter the full range of operational threats it was designed for. Furthermore, the F-22 will be cheaper to operate, require fewer personnel to operate, and require less airlift to deploy abroad. We made a substantial long-term investment commitment to achieve these revolutionary improvements and ensure we retain air superiority. Non-programmatic reductions will undermine the program stability necessary to control costs and maintain affordability. Already, during the course of the program, these reductions have increased program costs 2.5 to 3 times over the amount of the funds removed. Funding stability continues to be a major concern for the future of the F-22 program.

JSF is another critical Air Force long-term modernization effort. When the first operational JSF aircraft become available in 2008, they will begin replacing our fleet of F-16s, which entered service in 1979 and will be increasingly vulnerable in future threat environments. Operationally, the F-22 and JSF are designed to be complementary. In fact, JSF will rely on the F-22 to provide day one air superiority. Technologically, advances that make the F-22 revolutionary--in avionics, composites, engines, and signature reduction--are being heavily leveraged into the JSF, thereby reducing risk and cost and increasing weapon system commonality. The JSF program will result in a family of affordable fighter aircraft capable of meeting the future warfighting requirements of the Air Force, Navy, and the Marine Corps. The affordability and versatility of JSF may also provide the most attractive alternative to many of our allies and coalition partners as they seek to modernize their existing fleets of fighter aircraft in the next century. The JSF team has developed a basic framework for international participation. Already, we have entered into an agreement through which the United Kingdom will contribute \$200 million to share in the development costs of the concept demonstration. JSF has the potential to become the world's standard multi-role fighter of the 21st century.

The Air Force plan to acquire the CV-22 for Air Force Special Operations Forces (AFSOF) complements conventional deep strike assets, such as the F-22 and JSF, by providing long range combat search-and-rescue (CSAR) as well as deep battle airlift. The CV-22's speed, extended range, and survivability will significantly increase the warfighting CINCs' ability to exfiltrate personnel from denied territory. These inherent

advantages will reduce dependence on refueling while providing a greater range of options for Special Operations employment.

The next century will also bring advances in the numbers and varieties of threats. While the F-22, JSF, and CV-22 will provide the CINCs potent offensive tools to counter those threats, the Airborne Laser (ABL) will provide an equally potent defensive tool.

Operation DESERT STORM demonstrated the potential of theater ballistic missiles to serve as an effective delivery means for weapons of mass destruction (WMD). Our current approach to counter this threat integrates complementary capabilities from the different Services to create a multi-tiered defense consisting of attack operations, boost-phase interceptors, and terminal defenses. We have programmed \$700 million in an ABL over the current Future Years Defense Program (FYDP). ABL will provide a boost-phase intercept capability to destroy ballistic missiles over an aggressor's territory. The prospect of WMD debris falling on an enemy's own forces or people may serve as a strong deterrent to WMD use.

On-Going Priorities

Several modernization programs transcend our time-phased approach. Along with the Department of the Navy, we are procuring a new training aircraft--the Joint Primary Aircraft Training System (JPATS). The recently selected Beech MkII aircraft meets or exceeds every Air Force and Navy requirement at an affordable life-cycle cost. With its pressurized cabin, advanced navigation suite, and state-of-the-art propulsion system, the JPATS will better prepare our future pilots to fly advanced aircraft. Acquisition of JPATS

will improve commonality with the Navy, support on-going efforts to consolidate Air Force and Navy flight training, and improve overall training safety.

Air Force modernization programs also reflect the need to provide the nation continuous, assured access to space. EELV will help us maintain that access. EELV is an evolutionary launch system that will be designed to deploy a broad range of spacecraft and support increasingly demanding launch requirements. It is expected to lower the cost of both military and commercial access to space and ensure the long-term competitiveness of America's commercial launch industry.

SBIRS is another key system that will improve the CINCs' ability to defend against theater ballistic missiles. As a replacement for DSP, SBIRS will enable U.S. and allied forces to detect targets, such as theater ballistic missiles, sooner and at lower altitudes, enabling allied forces to destroy them at longer ranges. As a result, the warfighter will possess an even greater ability to neutralize the theater ballistic missile threat.

SBIRS is part of the information age technology that will give theater level commanders increased opportunities to influence operations in real or near-real time. With SBIRS, space-based cueing will be available for direct downlink to a variety of offensive systems that can then destroy transport erector launchers immediately after launch detection. This space-based cueing will also be available for boost-phase intercept platforms, such as ABL, to intercept missiles early in flight and to ground and sea-based terminal defense systems.

While space systems, such as SBIRS, are designed to enhance our warfighting capability, they also represent technologies that are important to our commercial partners. Indeed, many key air, space, and information technologies are commercially based. Information technologies have become increasingly important to military and civilian users and permeate almost every level of C⁴I and combat weapons systems. Many of these technologies, such as high-speed computers, distributive simulation, and miniaturization, have migrated back and forth between military and commercial users. Such information technologies can be a powerful force multiplier, offering offensive and defensive applications. As a result, the Air Force is placing increased emphasis on electronic combat and distributed information networks to enable decentralized execution of air operations.

High Leverage Player on the Joint Team

We continue to enhance operational relationships with the Army, Navy, and Marine Corps in many areas, but nowhere are these ties more evident than in Air Force platforms providing joint C⁴I. Air Force systems, such as AWACS, Joint STARS, RC-135s, U-2s, UAVs, and theater battle management core systems, provide comprehensive situation awareness, early warning, and detailed real-time targeting information for all warfighters.

A large part of this C⁴I infrastructure is space-based. The Air Force continues to launch and operate over 90% of DoD's space assets, including MILSTAR, the most recent addition to our space-based C⁴I capability. MILSTAR provides a worldwide, anti-jam, scintillation resistant, low-probability-of-intercept-and-detection communications

capability for all warfighting forces. Often described as a switchboard in space, MILSTAR can reconfigure immediately as warfighter connectivity needs change, providing dynamic communication networks.

Of historic significance, in 1995 we inaugurated a new era of military C⁴I with the first MILSTAR satellite-to-satellite information crosslinks. These crosslinks provide the capability to transmit messages from a single fixed or mobile ground terminal to a satellite, rout them through the satellite constellation, and transmit them directly to a destination. Such crosslinks decrease our dependence upon an expensive and vulnerable network of overseas ground relay stations.

Our interaction with the other services is not one-way. We also depend on key capabilities they provide. By FY99, the Air Force will depend largely on the Navy's EA-6B for stand-off jamming, replacing the EF-111. Savings from this decision will offset upgrade costs for the EA-6B. Similarly, the services share a responsibility to defend against theater ballistic missiles. Army and Navy systems provide terminal defense against theater ballistic missiles, while the Air Force concentrates on attack operations and boost-phase intercept options to ensure the CINCs possess an effective defense against theater ballistic missiles.

The Net Result

Our modernization plan, which supports our strategic vision of providing *Global Reach-Global Power* for the nation, will enable us to keep providing force options across the spectrum of conflict. We have made tough decisions, weighing technological advantages against affordability.

We have structured our programs for stability. Stability is vital to producing the best systems at the lowest possible cost. Most importantly, we have carefully sequenced our programs to balance year-to-year affordability concerns, readiness, and technical feasibility.

This is the right plan to ensure the nation's Air Force continues to meet National Military Strategy requirements.

Lean, Agile Acquisition

A key challenge to our vision is keeping pace with meteoric advances in essential warfighting technologies. Acquisition processes designed under Cold War rules can no longer respond quickly enough to benefit from radical shifts in design, much less from technological breakthroughs. To take advantage of increasingly dynamic opportunities, the Air Force is building a lean, agile acquisition system.

Adopting new processes is an important first step. Implementing these processes requires overcoming embedded barriers to change, such as statutory and regulatory constraints, cultural biases, and fear of the unknown. Most of these barriers are self-induced and, as such, can be overcome through dedicated, innovative leadership. Others, however, will be more difficult to master. Ultimately, the actions we take today will form the foundation for the lean, agile acquisition system of the future.

Acquisition Reform

Nine Lightning Bolt Acquisition Reform Initiatives have fueled an acquisition renaissance within the Air Force, building trust, empowering people, and strengthening teamwork. Individually, each initiative has helped tear down specific barriers to progress.

Together, they have created a momentum ensuring the Air Force provides timely, affordable, and advanced systems to meet the needs of our warfighters.

One measure of the success of the Lightning Bolt Initiatives has been the number of obsolete or redundant acquisition policies we have eliminated. Another measure is the cost savings realized from streamlined processes. The true measure of success of these reforms is the efficient, timely delivery of systems that meet the warfighters' requirements at a cost the nation can afford. For instance, the F-22 has become a model acquisition program.

The F-22 Team is using Engineering and Manufacturing Development (EMD) proven, event-driven management techniques, such as performance based acceptance and reduced dependency upon military specifications and standards. Additionally, the F-22 Team has implemented a lean manufacturing philosophy that provides a balance between cost and risk. One element of the strategy is the level of concurrency between program development and production. The F-22 program has scheduled significant ground and flight test activities in advance of the initiation of low-rate production. When a Defense Science Board review in 1995 compared the F-22 to other fighter development programs, they reported the degree of concurrency in the F-22 program appears not only reasonable, but in many ways, more conservative than the other programs. Based on the current status of the program, the cost and schedule risk of an extended EMD program outweighs any concurrency risk. Tying it all together, the F-22 program successfully uses Integrated Product Teams (IPTs) merging stakeholders from all disciplines and ensuring that designs strike the proper balance between cost, performance, and supportability. This close

government-to-contractor working relationship gives government personnel a superior degree of insight into the status of the program down to the lowest level.

We have also seen results in several of other programs, including JDAM, GPS, PACER CRAG, and Peace Shield. The JDAM program supports the requirement to provide bomber and fighter aircraft an adverse weather, medium and high altitude attack capability against fixed or relocatable land and maritime targets. Thanks to a streamlined acquisition process, we have accelerated the JDAM program, increased JDAM's warranty from five years to twenty, and reduced the average unit price to \$14,000. This places crucial, advanced systems in the hands of the warfighters one year earlier than requested with a total savings of \$2.9 billion.

GPS is a space-based, all-weather system providing reliable and accurate worldwide positioning, navigation, and precision timing through 24 satellites and associated ground control stations to an unlimited number of military and civil users. During Operation DESERT STORM, the U.S. Army needed a highly reliable and accurate method of navigating in the harsh desert environment. The joint GPS team orchestrated the rapid purchase of commercial off-the-shelf receivers and quickly delivered this equipment to the field in time for the ground offensive.

Another example is PACER CRAG. This program includes modifications and additions to the KC-135 aircraft's GPS, radar, and compass. This modification, among other things, makes it possible to reduce the KC-135 cockpit crew from three to two. In addition to manpower savings, this will significantly enhance KC-135 reliability and maintainability. Our PACER CRAG team has used all available tools within the

acquisition community to reduce reporting requirements and to eliminate unnecessary military standards and specifications. We applied the resulting savings of approximately \$90 million to other unfunded KC-135 modernization programs.

The Peace Shield program is another acquisition reform success story. This advanced command, control, and communication system for the Kingdom of Saudi Arabia provides an example of how we can downsize by identifying a program's core requirements, creating a fixed program baseline, and resisting the constant urge to update. In addition, every personnel position had a sunset clause tied to the completion of a milestone or a task. These reform efforts enabled a program that began behind schedule in October 1992 to deliver a completed system to the customer six months ahead of schedule. Peace Shield also reduced its System Program Office (SPO) size from 325 to 105, saving over \$25 million in personnel costs.

Improving Business Practices

Beyond reforming our internal acquisition processes, the Air Force has pursued other solutions to more efficiently and effectively meet requirements.

We have moved increasingly into cooperative programs with industry, our sister Services, other government agencies, and our allies. Most of our programs--for example, C-17, EELV, SBIRS, MILSTAR, and most of our Precision Guided Munitions (PGM) programs--have joint users. Two major programs go beyond that and have been structured as joint acquisition programs: the JPATS and the JSF programs. By combining acquisition efforts we have been able to decrease costs and improve manpower savings. JPATS made this a reality. JSF offers similar opportunities. With JSF, we have agreed to

divide expenses and expertise equally with the Department of the Navy and have concluded arrangements with the United Kingdom, allowing early financial and developmental participation in the JSF program. This approach will facilitate the development of an affordable multi-role aircraft.

We also have joint-service and international cooperative Science and Technology (S&T) efforts underway that will make significant contributions to joint warfighting. For example, we are currently conducting joint S&T programs with France and Germany in the field of ducted rockets, a technology crucial to extending the range of air-to-air missiles. Additionally, we are working with the Navy and with multinational partners on a new system to expand the escape envelope and increase the occupant size range for our ejection seats.

When we began to break down the barriers between the "defense" and "commercial" sectors of the economy, we discovered new opportunities to better use the nation's resources. Clearly, our nation can no longer sustain two separate industrial bases for military and civilian requirements. Therefore, we are moving toward cooperative arrangements to integrate military and commercial activities. Over the past twelve months, this approach has proven quite successful.

During 1995, the Air Force approved leases and awarded dual-use launch grants for commercial space ventures at Vandenberg Air Force Base, California and Cape Canaveral Air Force Station, Florida. In fact, over the next three years, Air Force launch pads will support more commercial than military satellite launches. Similarly, our EELV program is taking both the military and commercial sector to the next generation of

spacelift capability. We have included commercial-sector members on the EELV acquisition team, removed unnecessary layers of management, and eliminated overly restrictive military specifications (MILSPECS) from the program. Private sector involvement is particularly crucial for this program because we expect the EELV to satisfy the needs of the military and bolster U.S. industry's competitive position in the world space-launch market.

Commercialization policies, outlined in the Office of Management and Budget Circular A-76, Performance of Commercial Activities, require DoD to rely on private sector sources for goods and services. Since 1979, outsourcing has produced operating savings of more than \$500 million annually.

Outsourcing is not a new way of doing business for the Air Force--we have been on the cutting edge for decades. Our policy is clear: outsource where and when it is most cost effective.

One major challenge will be privatizing major portions of our depot maintenance capabilities, concentrating on those efforts which do not have wartime surge requirements. Our pathfinder privatization project is at Newark Air Force Base, Ohio. Newark was closed by the 1993 Base Realignment and Closure Commission. We selected a privatization-in-place option for Newark because moving workloads to other organic depots posed significant operational and economic challenges.

Currently, Air Force Materiel Command (AFMC) is aggressively evaluating Air Force-wide depot workload as the first step in privatizing depot maintenance work at Kelly Air Force Base, Texas, and McClellan Air Force Base, California. Already AFMC

has begun to identify pilot programs to gain an increased understanding of the benefits and the drawbacks to privatization.

Expanding Access for Small Businesses

An unexpected benefit garnered from the acquisition renaissance has been an increase in business opportunities for smaller commercial ventures. Since small businesses frequently lack the resources or expertise to tap into these opportunities, we challenged ourselves to improve access, increase awareness, and ease availability for America's small businesses. We predicated our efforts on a simple belief--all businesses should have equal access to Air Force procurement opportunities. As a result, the Air Force leads DoD and much of the entire federal government in support to small businesses. Our Small Business efforts center around the Air Force Marketing Information Package (AFMIP). AFMIP provides the Air Force Long Range Acquisition Estimate (LRAE) for FY96 and beyond in the form of practical "how to" guidance on selling to the Air Force. AFMIP also includes the full text of the Air Force Mentor-Protégé Handbook and information on international and domestic commercial diversification. In addition to AFMIP, the Air Force has continued its support for the Interagency Committee On Women's Business Enterprise (IACWBE), expanding access for women-owned businesses in Federal procurement opportunities.

Motivated, Disciplined People

The Air Force operates on the leading edge of technology and the tools of our trade are lethal. Such a force requires motivated, disciplined airmen led by superior leaders. To ensure the nation's Air Force continues to be the world's premier air and space

force, we recruit and train quality people, nurture leaders, and embrace unambiguous, high standards.

Recruiting and Retention

The publicity surrounding the defense drawdown, skyrocketing college enrollments, a youth population at its lowest level since the advent of the all-volunteer force: these are the hurdles for recruiting new members. Yet, to maintain a balanced force with the right distribution of rank, age, and skills, we must constantly replenish our ranks. Therefore, we are closely monitoring the pool of potential recruits, tracking workforce trends, and rewarding our recruits with top notch training, meaningful work, and a lifetime of educational opportunities.

Aggressive recruiting expands the pool of potential talent and it ensures a workforce that represents the total population. Continuing to attract qualified minorities to the Air Force will sustain the future growth of an increasingly diverse population. It also molds a workforce representative of society. Diversity brings credibility and relevance to the Air Force. It also helps us weave our values into every fabric of society--through the varied backgrounds of the sons and daughters who serve.

While attracting diverse populations to a workforce is essential, retaining them matters just as much. We are convinced that putting people first is the best way we can guarantee the readiness of our force. As a result, we are committed to providing and maintaining an acceptable quality of life for our people and their families.

Thinking Globally-Training Locally

As an essential ingredient of America's combat readiness, our airmen think globally but train locally. That means Air Force training is designed to represent, as accurately as possible, the environment, conditions, and experiences our men and women would most likely face while participating in operations around the world. Such training requires use of a wide variety of land, sea, and air resources to create realistic and representative circumstances.

To ensure access to such areas, we have developed cooperative use arrangements with those who may have competing interests for the same land and airspace. Such arrangements are predicated on responsible custodial care of these resources. Currently, Air Force ranges incorporate over nine million acres. Sixty percent of this training space is dual-use, shared by the military and the public. These ranges include managed forests, farming and grazing areas, and protected wetlands. Additionally, we are minimizing the use of hazardous materials, broadening recycling programs, and incorporating environmental improvements into our aircraft designs.

We will continue to search for improved ways to execute our responsibilities and steward our nation's resources.

Excellence in Command

Leadership is the foundation of our organization. We depend on our ability to train, educate, and select our leaders and then provide an atmosphere where they can use their talents toward mission accomplishment. As the demands of Air Force leadership grow, and the issues facing our leaders become increasingly complex, it has become necessary to improve the way we ensure our readiness to face these challenges. For

instance, we are improving commander selection and training processes. We have designed a centralized system to provide all candidates for command equal consideration and central screening of their records. This should ensure a fair and open system with the best possible criteria for selection.

We have also instituted leadership courses to ensure our commanders are as well prepared as possible for their new responsibilities and know what we expect of them. Squadron, Group, and Wing Commander Courses are a first step. In addition, our Squadron Officer School, Air Command and Staff College, and Senior NCO Academy have included extra leadership and accountability case studies in their curricula.

Concurrently, across the Air Force we have vigorously reinforced the importance of professionalism, accountability, and responsibility. Air Force leaders must focus on the mission, demand professional standards of conduct, and hold people accountable if they fail to meet these standards. We have provided specific guidelines for commanders that link disciplinary and personnel actions while protecting the commander's prerogative. Furthermore, we have emphasized the need for more stringent documentation of all adverse actions, and we require evidence of those adverse actions at all accountability points, such as promotions, evaluations, assignments, and decorations.

Unambiguous, High Standards

Technical competency, drive, diplomacy, and team-building skills are important qualities for any leader. We will continue to require those skills from our commanders. Just as crucial, however, are the personal qualities of integrity . . . service before self . . . excellence in all we do. We've stressed the importance of these core values in our

discussions with Air Force people at all levels. Our core values are the standard for our behavior, our service to country, and our treatment of one another. All who wear the uniform, especially our leaders, have a duty to live according to the values of this institution. Personal values, professionalism, demanding standards, and accountability--all flow from our vision of the future Air Force.

People First

To ensure we recruit and retain the right people, we will continue to reward the challenges of this profession with an equitable quality of life. Readiness and quality of life are inseparable. That is why we put "People First."

This year we conducted the first ever hands-on, computerized *Quality of Life Survey* of everyone in the Air Force. This survey identified strengths and weaknesses among Service efforts to assure our people an acceptable quality of life. On a positive note, many of our people intend to make the Air Force a career. On the other hand, many had concerns, such as the high OPTEMPO of their units.

To assure a balanced approach, the Air Force continues to support its *Quality of Life Strategy*, focusing on seven priorities: compensation and benefits, safe and affordable housing, health care, balanced Personnel Tempo (PERSTEMPO) and OPTEMPO, community and family programs, retirement benefits, and educational opportunities.

Compensation and Benefits

One of the fundamental requirements for maintaining an all-volunteer force is ensuring fair and adequate military compensation. To help maintain a quality force, the

Air Force supports full statutory pay raises through the FYDP as proposed in the President's budget. In addition, for civilians, the Air Force supports pay equity with industry through the locality pay provisions of the Federal Employees Pay Comparability Act.

Housing

Like most Americans, members of the Air Force want to live and raise their families in comfortable homes in secure neighborhoods. Unlike most Americans, however, airmen must live where their orders take them in support of worldwide deployments and contingencies. It is vital for all airmen, particularly junior members, to have access to safe, affordable housing. Air Force people do not expect to live in luxury. Simply, they want to be able to place their families in housing that will give them peace of mind when they are deployed.

Unfortunately, there are insufficient quantities of quality housing to meet existing and projected demand--currently, 39,000 families are on waiting lists to move into base housing. The average age of Air Force housing is 33 years, with over 60,000 homes requiring improvement or replacement. At current funding levels, it will take 24 years to catch up with this backlog.

Our goal is to get well within the next 10 years. The solution is innovation, not just increased investment. With the support of Congress, the Air Force could realize both the flexibility and the authority to satisfy much of its housing needs through the private sector, thereby reducing costly infrastructure and overhead.

Dormitory improvements for single and unaccompanied personnel are another key part of our housing problem. The Air Force strongly supports OSD's one-plus-one standard for single and unaccompanied dorms, an initiative aimed at enhancing individual performance while assuring personal privacy.

Health Care

Airmen rank quality health care for their families as their number one non-cash benefit. To alleviate stresses on the military health care system and mitigate the financial burden on military members, the Air Force supports the current TRICARE program. This program requires neither user fees in Military Treatment Facilities nor enrollment fees for active duty families. TRICARE is the only program in today's economic environment that can assure military members and their families the broadest range of uninterrupted medical coverage--and we are committed to making TRICARE work.

We are also concerned about quality dental care. While the family member dental plan allows overseas family members to remain enrolled, there are no provisions under the plan for overseas treatment. As a result, the Air Force supports the Overseas Family Member Dental Program (OFMDP), which is in place in Europe and soon will be implemented in the Pacific.

Balanced PERSTEMPO and OPTEMPO

The OPTEMPO for many of our units remains high--and it will only increase as we are called upon to support additional contingency operations. Four times as many Air Force people are deployed today as in 1989 enforcing no-fly zones, maintaining air refueling bridges, supporting humanitarian operations on three continents, and helping

stem the flow of illegal drugs. We are committed to supporting these operations.

Concurrently, we are working to reduce high PERSTEMPO to below the maximum desired level of 120 deployed days per person per year.

The Air Force is employing three main initiatives to achieve this goal. First, we are using global sourcing to balance the workload across all active duty Air Force units, regardless of the theater to which they are assigned. Second, we are reducing taskings on the systems where our people have the highest PERSTEMPO. That is, we prioritize tasks to determine which missions we can support, offer substitutions, or request relief. Third, we are using Air National Guard and Air Force Reserve volunteers to reduce active duty taskings and are integrating them into additional mission areas, such as AWACS, space operations, and information warfare. Air Combat Command has developed a successful scheduling process that has Air National Guard and Air Force Reserve participation in contingency operations planned and programmed through 1998. As we rely more on Air National Guard and Air Force Reserve people, we must be prepared to extend to them appropriate services and benefits--to include those Guardsmen and Reservists serving on active duty for less than thirty-one days. This requires improved guidance, full funding, and advanced scheduling to maximize volunteer availability and to ensure we can offer benefits and protections regardless of the duration of active service.

In a Spring 1995 survey, Air Force commanders and first sergeants said that family readiness is directly tied to mission readiness. The Family Readiness Program provides special emphasis on family separations through a variety of services, including deployment preparation, support during separations, and reunion guidance. With the high

number of deployments, these services have become an essential capability at many bases. They must be continued to ensure we support our airmen and their families.

Community Support and Family Programs

Community support and family programs also help the Air Force recruit and retain the right people. Our highest priority efforts in this area are to preserve commissary benefits, expand child care, and expand Services' activities.

Commissary savings are vital to the entire military community and are ranked second, behind health care, as the most valued non-cash benefit. Military members depend on commissary savings to extend already stretched military income.

The Air Force Child Development Program provides care for 45,000 children daily in child development centers, family day care homes, and youth center programs. The Air Force will continue to expand Air Force child care facilities to achieve the DoD goal of 80% of the requirement.

Services' activities directly support unit readiness through programs that enhance individual fitness, unit cohesion, and a sense of community. The Air Force will continue to expand and improve Services opportunities.

Retirement

The Air Force remains committed to the nation's military retirees. A solid retirement benefits package compensates for the extraordinary demands we place on our people over the course of a career.

We believe it is important to preserve the military retirement system. Reforms to the military retirement system during the 1980s have reduced the lifetime value of retired

pay for newer service members by as much as 26%. Further reductions in the net value of retiree benefits could have a dramatic, negative impact on recruiting, retention, and readiness.

Educational Opportunities

We also are committed to preserving and expanding educational opportunities. Tuition assistance has proven a valuable recruiting and retention tool, providing our airmen the means to obtain associate, undergraduate, and graduate degrees. The Air Force supports maintaining current Air Force tuition assistance levels. At the same time, the Montgomery GI Bill continues to be a success story. These self-improvement opportunities serve not only as incentives to our people but also lift them to greater levels of productivity. Ninety-five percent of those who enter the Air Force enroll in the Montgomery GI Bill program. However, many of those wishing to enroll in the current program are no longer eligible. For these, the Air Force is studying options to improve their access to advanced education.

Toward The Horizon

The capabilities spelled out in our vision paper, *Global Reach-Global Power*, are battle tested. They have enabled us to identify and build the unique contributions of air and space power to joint warfare and the nation's defense. These objectives continue to serve as our intellectual compass.

We are poised to accept the challenges ahead. We have strengthened our commitment to Science and Technology (S&T), the foundation for Air Force modernization, and we are celebrating the publication of *New World Vistas*, which

identifies those technologies that will shape the Air Force of the 21st century. In addition, we have built a team to help us ensure we achieve the clearest sense of our planning horizon and institutionalize across-the-board long-range planning for the Air Force of 2025. With the benefit of experience, insight, and imagination, we will continue to provide the nation the premier air and space force for the future.

Today, we are ready to fight and win our nation's wars. We have in hand those modernization and training efforts necessary to sustain that capability in the decades ahead. In the future as in the past, the nation's Air Force will provide *Global Reach-Global Power* to help shape the world our children will live in.

The CHAIRMAN. Thank you, ma'am.

Before we get into the questions, I would like to recognize the power behind Secretary Dalton, his young wife, Mrs. Dalton. We are pleased to have you with us this morning.

I will ask my questions a little bit later on, so we can go on and get into the questions of other members.

Mr. Dellums.

Mr. DELLUMS. Thank you.

I, too, would note the presence of a number of our colleagues, Mr. Chairman. I would reserve and allow my colleagues to engage the witnesses early on.

The CHAIRMAN. Mr. Bateman.

Mr. BATEMAN. Thank you, Mr. Chairman; and I thank our Secretaries for their being with us this morning and for their testimony.

I am just going to make a general observation and then invite your responses, and then I do have one specific programmatic matter I wanted to address to Secretary Dalton. I will bet he can guess what it is.

The data that I am looking at in the memorandum before me indicates another reduction, not increase, in procurement accounts. While my principal concern, like yours, is the state of readiness of our forces presently, as the chairman of the Readiness Subcommittee, our forces are not going to be ready in the future if we don't invest in the equipment that they are going to need in the future; and we are starving, in my opinion, the procurement accounts.

I even have indications from the news media that the Chairman of the Joint Chiefs has expressed in some document a need for a level of procurement budget that we thought was being promised but which is not forthcoming. It is my view, and I think most of us on the committee share that view, that we are drastically underfunding modernization and procurement accounts generally and that it has to be addressed.

You are obviously required to deal with whatever the White House and OMB present to you as your top-line figures, but we are not; and something that I would suggest that you be ready for is, if others do not, this Member is certainly going to be calling upon you for your priorities, for what you need for modernization in order that we can try to more adequately address your needs than they have been addressed in the budget request.

Now for my specific question to Secretary Dalton, I waited to hear you say something about submarines; and in all of the Navy ship construction programs submarines were not mentioned. I take it that was an inadvertent oversight; and I want the further reassurance that what you expressed in the brief letter to Senator Warner that you were kind enough to send to me, that it is the Navy's plan and intention to go forward with the submarine construction program that we worked out with so much difficulty, but ultimately with such great success, and put in the fiscal year 1996 authorization bill.

Secretary DALTON. Mr. Bateman, I was in most of your offices over the last year talking about the submarines, so we are clearly committed to our submarine program. As directed by the fiscal year 1996 Defense Authorization Act, the Navy is preparing a plan for

building four ships in fiscal year 1998 through fiscal year 2001. This plan, to be provided to Congress later this month, by the March 26, will identify the funding required to build these ships.

If the four-ship plan is funded by Congress, the Navy will contract for the construction of the first and third ships at Electric Boat in fiscal year 1998 and the year 2000, and the second and fourth ships at Newport News Shipbuilding in the fiscal year 1999 and fiscal year 2001.

Before the Armed Services Committee hearing on March 5, Secretary Perry agreed with Senator Warner, and also stated before this committee, that the Department will work with Congress to ensure the submarine funding profile supports fair and equal competition in the next generation nuclear attack submarine program.

Mr. BATEMAN. Thank you, Mr. Secretary. That is reassuring.

The thing, of course, that I find a little difficult, but I don't know that there is anything you or I can do about it at this moment, is the fact that the Navy and the Department of Defense are committed to the four-submarine program but we see a budget that includes none of the funding to implement that program in the context of the 1999 and the 2001 submarine; and the program can't be implemented without advanced procurement in order to meet that schedule.

Secretary DALTON. As I indicated, Mr. Bateman, we plan to work with the Congress with respect to that. As we discussed and as is in the authorization bill for fiscal year 1996, there was discussion of that program exceeding the President's budget; and we plan to work with you with respect to that.

Mr. BATEMAN. Well, we, of course, understood when we put the program together for the fiscal year 1996 budget that it exceeded what was anticipated when that budget was submitted, but this is a new budget that was submitted after the agreement and the understanding.

Now, as long as it ultimately gets done, I am not fussing with you or quarreling with you; but it is passing strange to this member that the administration agreed to a program, presented a budget, but then included none of the funding to implement that particular program. I assume we are going to do it later. It would have certainly made sense to me to have done it at the outset.

Secretary DALTON. We look forward to working with you on that, sir.

Mr. BATEMAN. Thank you, Mr. Chairman.

Ms. DELAURO. Mr. Chairman.

The CHAIRMAN. Yes, ma'am.

Ms. DELAURO. If I might, I just want to make one comment that had to do with the submarines, and I don't want to interrupt anyone else. I will be very quick about it. It just seemed appropriate at this moment to mention it, just very, very, very quickly.

The CHAIRMAN. Very briefly, go ahead.

Ms. DELAURO. I want to, first of all, thank the Secretaries for their testimony. I just wanted to add on to what my colleague from Virginia has said.

There was a program laid out in the authorization. I am hoping, in listening to the response of the Secretary, that we can continue to have a discussion about this and also would hope that you will,

Mr. Secretary, reaffirm your strong support for *Seawolf* and for moving ahead with a new attack submarine, for the completion of the *Seawolf*. I look forward to talking with you and with my colleagues in Virginia so that we can see the program to fruition, as we had all talked about and discussed in the past.

Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman from Mississippi, Mr. Montgomery.

Mr. MONTGOMERY. Thank you, Mr. Chairman.

Two of the three Secretaries, you have given us very strong statements today. I really notice that you have a lot of confidence in your jobs now, and you have been serving 3 years. All I can say is congratulations.

Secretary DALTON. Thank you.

Mr. MONTGOMERY. To you, Madam Secretary, thank you for pushing the line on the C-17's. It is a wonderful aircraft, and it is doing its job in Bosnia.

Mr. Secretary of the Navy, you mentioned in your points about acquisition reform. Do you have any further comments on that? Then I have a question for Secretary West.

Secretary DALTON. Yes, sir, Mr. Montgomery. Acquisition reform is one of those issues that doesn't have a lot of sponsorship per se, parochial or otherwise; but it is one that is extremely important and extremely exciting in terms of what we are doing in that area. Acquisition reform is something that the Department of Defense is committed to and the Department of the Navy. We are really emphasizing it a great deal and feel very good about some of the objectives we have set, some of the initiatives we have begun and some of the accomplishments that we have realized.

First of all, with respect to Navy initiatives, we are implementing new ways of doing business provided through the Federal Acquisition Streamlining Act. We have established acquisition coordinating teams to integrate requirements of the generation system, the planning, programming and budgeting system, and acquisition management. We have changed the logistic response time cycle reduction team and have been the leading effort with respect to OSD in that area. We have a new road show that has been in Washington and San Diego and has got six more scheduled, working with small- and medium-sized businesses.

As I mentioned in my statement, we had a CEO Department of the Navy conference this past November with 100 CEO's of industry and some high-level members of the Navy acquisition community to see how we can streamline activity of delivering products in a more cost-effective manner.

We have completed a review of the Department of the Navy military specifications and standards. Of these 8,400 MILSPECS and standards, 35 percent have been canceled, 30 percent are being retained as performance-based inspection standards, and 10 percent are being converted to commercial specs or standards, and 25 percent are being retained as military-unique detail specs or standards. So I think this is an indication of where we are headed.

I think that, clearly, we are trying to have things happen at a lower level, that managers can make decisions and implement things, just such things as credit card usage; and with proper

guidelines we think it is going to significantly enhance that opportunity.

We have also prototyped the integrated product teams in the new attack submarine program, the LPD-17 and the ship self-defense system program. We have set up a management action plan which we call a MAP. The four cardinal points on that MAP are leadership, relationships, processes, and people.

I think Assistant Secretary John Douglas is doing a fine job in leading that effort for us, and I am very optimistic about the results that will go to the benefit of building a stronger Department and also benefit the taxpayer at the same time.

Mr. MONTGOMERY. Thank you very much, Mr. Secretary.

Mr. Secretary of the Army, the Active Duty Army will receive in this new budget \$435 million in military construction. The Army and the National Guard gets \$8 million. They have about one-third of the forces. What is the problem?

Secretary WEST. Mr. Montgomery, I don't think there is a problem there so much as it is an effort to set priorities for our requirements. The fact is that supporting the Guard, as you know, has been a big priority both of the Department of Defense and of us in the Army, too. I am not exactly certain about the numbers you just mentioned, but I will say this: The National Guard has been and continues to be an important part of our deployments and our readiness efforts. To the extent that that construction, as it does, relates to ensuring the readiness of the Guard—

Mr. MONTGOMERY. Mr. Secretary, I meant to say earlier, all three of the Secretaries have done a tremendous job on the total force. The Reserves are there now. You can't even move without them. So you have done a real good job. But I am worried about only \$8 million, no Army included, and you have the Army Reserve and Army Guard, at least one-third of all of the missions in the Army now, and they have got to have some military construction money.

Secretary WEST. I understand, sir. But I do want to point out that we have put a lot of resourcing into assuring that the Guard, its divisions and its enhanced brigades are ready and able to participate in all the deployments and all the calls that will be made upon them. Underlying your comment to me is I think the realization that we simply can't carry out all of these missions with just the active components and that the Guard is an important part of that.

Today, all of the divisions are deployable, are ready for deployment. The enhanced brigades, 12 of the 15 are deployable, are ready for deployment. So I think we are making progress in being alert to the points you make overall, but your point on construction I take—

Mr. MONTGOMERY. Thank you. My time is up.

The CHAIRMAN. We will be pleased to yield another few minutes to you to ask about the C-20 if you want to, Mr. Montgomery.

Mr. MONTGOMERY. I will be glad to ask about the C-20.

I would like to ask the Secretary about this, the great airplane, the C-20. It has been authorized and appropriated and we hope continues to move forward and will not run into any bottlenecks of

being acquired. It is a cargo C-20, and it would go to the Reserves. So that is what the chairman was talking about. Thank you.

Secretary WIDNALL. I don't have any comment at all. I will get back to you on that issue.

The CHAIRMAN. Mr. Hansen.

Mr. HANSEN. Well, thank you, Mr. Chairman. I would like to state that I have the highest regard and respect for these three Secretaries. I think you have done an admirable job, and I am always pleased to talk to them. So when I say that, anything I have—I am not picking a fight with any one of you three, but I may be picking a fight with someone that is a little higher up; namely, the President of the United States.

You know, in the late 1980's a lot of us worked very diligently on a base-closing bill, and a lot of us have pored over every sentence of it, and we have had legal opinions of almost every sentence of the base-closing bill. What is it that you have the right to do in wearing the uniform—what does the OSD have the right to do, what does the BRAC Commission have the right to do, what does the President have the right to do and what does Congress have the right to do?

I think that has been clearly spelled out. I could clearly state that I think it is going to be even further spelled out, because there are lawsuits being filed now; and that is the issue that I would like to discuss with you at this point.

If you look at that Public Law, you will see it is very clear what the right of the President is. The President has 15 days to say either he rejects or accepts, period. He can't put a caveat on it and say, well, I do, but—that is just not in the law. Then after he makes one decision or the other, if he sends it back to the BRAC Commission, they have to work again. If he sends it on to Congress, they have 45 legislative days. Now, what does Congress get the right to do? Exactly as the President: accept or reject.

In the last BRAC Commission, the President accepted, the Congress accepted. However, the President cut a caveat on it that he doesn't really have the right to do, and that goes to Secretary Widnall in your five ALC's, probably the five biggest bases that we probably have. In those particular instances, they decided that two of those would be closed. They didn't say they would be privatized. They said they would be closed.

Now, to make sure that we are on good legal ground on this, I have in my hand the letter of two of the Commissioners. Commissioner Steele: The Commission clearly did not intend to privatize and place all of the workload from the two ALC's we voted to close. Further on: Moreover, not allowing the remaining ALC's, all of which rank higher in military value, to complete the additional workload will cause them to become increasingly less cost competitive in the future.

As difficult as it is to vote for the closure of two facilities of this size and quality, the Commission voted 6 to 2 to do so because we felt that it was in the best interests of the Air Force. If any Commissioner had offered a motion to privatize in place as the President proposes, I am 100-percent certain that such a motion would have been defeated.

Commissioner Klink, in his letter: The Commission's review clearly documented significant excess capacity in the five Air Force ALC's. Privatization in place of all of the workload of Sacramento and the San Antonio air logistic centers could result in little or no savings to the Air Force by the closures. Further, it might result in privatizing excess capacity rather than eliminating it and could also miss the opportunity to improve the efficiency of the other ALC's.

So here we have an interesting situation where the Sacramento Bee, in their letter that they put out recently, talked in great detail about the idea of the necessity of 54 electoral votes in California, and I guess a person has that right. All I am saying—and I know this is maybe something that you folks have to listen to, and I respect you and appreciate you doing that, but keep in mind that I am still waiting for Secretary Perry to give me the best legal opinion he has that gives him the right to do it.

Also, on that same yardstick, if he has the right to do it, then every Member of Congress has that same right, because the language is identical. Fifty-nine other spaces, those other people may feel they would just as soon privatize. But we have a situation, as I read the things about the five ALC's, that they are operating at about 48 percent capacity. I have also heard over my many years in Congress that it should be around 70 percent capacity. So I cannot understand why anyone would want to privatize.

I further would like to state that we recently, in Mr. Hefley's committee, noticed that the Air Force was asking for \$9 million to go in and take care of a flood problem in McClellan. I asked the question of the Air Force why they would do that, if it was being closed; and I did not get an answer from them.

Now, I know—Secretary Widnall, I am almost embarrassed to bring these things up, because I know what a great job you do and I know that you answer to certain people; but I want to put you on notice that many, many Members of Congress—I am not speaking for all of them, but I am probably speaking for a lot of Members of Congress—feel exactly as I do, that the President had no right whatsoever, no legal right, to try to privatize those two bases; and many of us cannot see a reason to do it.

Now, if you would like to respond, I think the light has not come on, but if you want to respond—

Secretary WIDNALL. First of all, let me make it perfectly clear that we follow the BRAC language; and those bases will be closed. Closed has a meaning, and they will be closed. But I do think we view it in the framework of our interactions with the private sector.

A good part of the closing of a base is the whole question of how to transfer the assets to the community for, you know, sort of reuse and stimulation of commercial development within a community. That is going on at all of our bases. It is a very important part of the BRAC process. We have unique assets at those depots, ALC's, and so we are anxious to turn those over in a form where they can be useful for the commercial sector.

We routinely contract out work with the private sector, with the aerospace industry, with the various companies that are involved in maintenance, and I see the issue in that framework.

Mr. HANSEN. I see my time is up.

Just let me state this: I would hope that the Air Force doesn't change the definition of core work, and you mentioned in your opening statement the idea of 60-40 had to be taken away. I honestly think you are probably right, eventually, but it has to be after this is resolved.

Now, when you say that you are contracting it out, I am saying that the work that is currently done in these bases that the Commission said should be closed, if that is merely turned over to the private sector to do and the other three bases stay at about 48 percent capacity, we have done nothing but waste money, as I read what the Commission has said.

Now, I think you are going to see a parade of every Commissioner brought before a court, and I would dare say that every one of them will say that that was not the intent of the Commission to privatize that work, it was to actually reduce the work, not to just turn it over to the private sector. I believe in privatization. I have no problem with that to a certain extent. I also believe very strongly in core maintenance, and I think maybe we have gone beyond that.

I appreciate your indulgence. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Skelton.

Mr. SKELTON. Thank you, Mr. Chairman.

Let me welcome the respective Secretaries to our committee and thank you for your excellent work in these difficult times when there are budget constraints and, at the same time, you are producing the finest uniformed men and women we have ever had. I am proud of what you do, and I am proud of what those in uniform do today.

It is with sadness, Secretary West, that we know, and I know everyone on our committee expresses sympathy to you and the soldiers' families who died at Fort Campbell in the helicopter crash just a few hours ago.

I also want to brag on the men and women who are working in all uniforms in the Bosnian area. Whether they fly over or into Bosnia, whether they are in the Adriatic aboard ship or whether they are in a tent in 10 inches of snow, they are doing superb work. They are professionals. It is a dangerous area not limited to the mines, but it is dangerous. They are representing the United States of America well, and you can be immensely proud of them.

I also wish to say something positive about the war colleges that I am now in the process of revisiting. I was chairman of the military education panel a few years ago which reviewed the war colleges, and the various services have responded very positively, and the results that I am now seeing are excellent.

Secretary West, I notice that you spoke of the many young women in our services; and each of you spoke about quality of life, training and taking care of the other soldiers and sailors and marines. Those of you who have heard me at hearings before—and I know I sound like a broken record, but I have used the phrase: If mom ain't happy, nobody ain't happy. Probably in today's province, it should be: If your spouse ain't happy, nobody ain't happy.

You have to take care of the families as well as the troops. As a matter of fact, I have a friend from California who heard me say—

ing so many times, if mom ain't happy, nobody ain't happy, and he gave me a plaque which I now have framed in my office.

But I urge you to continue working on the quality of life to keeping the good—it takes a long time to grow a crew chief. It takes a long time to grow a first sergeant. It takes a long time to grow a chief petty officer.

In this vein, Secretary West, let me just mention very briefly Lt. Gen. Ted Stroup testified about the stress and the strains on your particular service, the Army, at the end-strength of 520,000; and it is going down, as you know, to 495,000. But there was some testimony the other day by Secretary Perry that bothers me, that because we did put a floor on all of the services, and 495,000, according to General Stroup, would even stretch and stretch them more. To go below that floor not only would be against what we have in the law but would be very detrimental to them and their families, so I hope that this—and it is not just your service, but since he testified to that I would bring that to your attention.

Let me ask each of you this in this vein: Secretary Dalton, you did touch on it, and this deals with recruiting. You have to keep the pipeline of the young serviceman and woman coming in. Because people do retire, people do get out of the military, and you have to keep the quality up.

I would like to ask each of you—and since Secretary Dalton raised this, let me ask him first. I think from the statistics that I have read, the Navy may be having a bit tougher time. Then I would ask Secretary West and Secretary Widnall to respond to it.

How about your recruiting, Secretary Dalton?

Secretary DALTON. Mr. Skelton, this has been a priority of mine since we recognized the problem that was identified in these surveys that Secretary West referred to.

I am pleased to say that we have made some significant progress. Our quality has stayed up; the percent of high school graduates exceeds the 95 percent level. Of our recruits, 62 percent are in the CAT 1 through CAT 3 areas, which is above 50 on the Armed Forces Qualification Test; and we have not taken CAT 4's.

We have done well, I think, because we have reached out and used some rather unique means of recruiting. I wrote every high school principal in the country in each of the last 2 years to make them aware of programs that were available to young men and women who are graduates of high school. Each of our flag officers, admirals, and general officers—admirals in the Navy, general officers in the Marine Corps—have been back to visit their high schools in the first half of this year; and 60 percent—we are 60 percent done with that program, and we hope to have it all done by the end of this calendar year. That has reaped some benefits.

We have an awful lot of hard-working young men and women who are out there on the line. It is tough duty. Just last night I met with the Recruiters of the Year who were here in Washington to receive their awards for the fine job they have done in this environment.

The good news is that your help in advertising—helping us with our advertising budget has been a big plus, a tremendous positive impact. We have had 11 percent improvement in male youth propensity to enlist, a 15-percent increase in the number of leads gen-

erated. We can directly link 11,800 of our new contracts to the advertising that we did in the last year, and this committee was very supportive of that.

I am optimistic. The last 5 months the Marine Corps has exceeded their goal. The Marine Corps has exceeded in the last 5 months. The Navy exceeded their goal last month. So I think the Marine Corps is leading the force services in recruiting, and I think the Navy is about on par with our sister services here.

Mr. SKELTON. Thank you very much.

Secretary West and then Secretary Widnall, please.

Secretary WEST. Mr. Skelton, let me offer sort of my own experience of the last 2-plus years.

It seems to me that, in talking with our youngsters everywhere I have traveled, that few of them joined the service just because they are patriots. Oh, sure, after about 6 months they become—they get the sense of being part of something bigger than they are, the pride of country and service. But, at the outset, the very good ones that we are recruiting recently out of high school or about to leave high school, they are looking, yes, for something they can feel good about, perhaps for a way to get some college education money, and they are interested in the benefits and packages. They are looking for a job and a place in America.

One former member of this committee whose death we commemorated not long ago gave a speech to his graduating high school class in which, among other things, he wished for them that they would find a useful place in American society. I believe that we recruit our youngsters because we offer them a useful place in American society at a time when they are very unsure that they will be able to find it. If that is the case, then the things that you do for us in advertising, which Secretary Dalton has referred to, in putting recruiters on the street can make a big difference. Because we have to reach them. We have to reach them and make them understand what they can find for themselves, what they can achieve.

A few weeks ago I had the opportunity to visit a recruiting station. I don't know how many of us knew that since 1944, right there on Times Square, there is a small recruiting station. All of the services are represented there. They get an extraordinary flow of people past there, past Times Square, as you might suspect. But every one of those recruiters makes his or her goal or quota for the month. It is tough, it is hard, but they get out there and work on it.

I say that as a reminder again of the extraordinary stress to which we put our recruiting sergeants and our recruiting captains and recruiting officers to find these youngsters who, first of all, are looking for a place in society and then begin to feel that sense of patriotism and pride as they sign up.

Yes, sir; you are correct, that though we recruit the soldier with a lot of emphasis on convincing the soldier's mother, by the time that soldier has been there awhile and become a producing and constructive part and maybe married, then we find out that we retain the spouse, we retain the family. So whether it is at the beginning of the process, when we are trying to make sure that they understand the benefits that they will receive, the place in society, the benefits of the Montgomery bill and the like, or as we are sim-

ply attempting to retain them, when we make clear to them when they begin to get a sense of the quality of life and our concern about the quality of life for them and their families. It is a difficult job, and it requires constant attention to making them feel appreciated for their services to their country.

I apologize for this lengthy answer, but I want to end it by saying this: And your soldiers and their families are getting that sense. From the very things you have authorized us to do, whether it is in advertising to get to them or quality of life for them and their families, they are getting the sense that their country, their Congress, the people in the United States care about them. We will continue to have success in recruiting them, though at a high price, as long as you continue to enable us to give them that impression.

Secretary WIDNALL. Let me just add to what my colleagues have said.

With respect to the Air Force, we have been successful at meeting our recruiting goals. It is with a lot of attention—and one point I would want to make is that the issue of recruiting is receiving very senior-level attention within the Pentagon. The service Secretaries, together with Dr. Perry and Mr. Dorn, review recruiting results and advertising budgets on the—at least a semiannual, if not quarterly basis. So it is a high priority item.

Again, jumping back to the Air Force, I would say that we have set a tone in the Air Force with the slogan: Everybody is a recruiter. We really, as Secretary Dalton mentioned, really try to draw on the energy of all of our people to, you know, send out the message about what this way of life and service to our country is all about.

So it is—it is an important issue for us. I guess—jumping to one of the other ends—recruiting service is a tough job. It is a high-stress job. So we have paid some special attention to supporting our recruiters. They are out in the field. They are not close to a large military installation in most cases. We have tried to provide special ways for them to get into a base, and in a very quick and efficient way, get the services they need for them and their families so that they can get back out on the job and have access to medical care and the kinds of things they need to keep working as effectively as they do.

The CHAIRMAN. Thank you.

Mr. CUNNINGHAM. Thank you, Mr. Chairman.

First of all, I would like to—at the end of my statement, I am going to ask Secretary Dalton a question on the F-14, but—I know the situation, but I think it is important for the record for you to state that. I want to personally thank you not only for the timeliness but the intent and what you have put into that with Admiral Boorda.

I also want to thank you for speaking for Carol Hultgreen and her family and their loss. I think that is very, very important.

I would also like to thank the Secretaries. You know, from the Republican side, in some cases I got better service, better professionalism from staff and yourselves than I have at any other time, and I want to thank you.

I am going to make a statement, and I don't want you to have to even put on a thick skin, because this is not directed at you. You

are doing the best you can with what you end up getting in that ball of wax. But I think it is important for the record to show that you are doing the best you can; and, in the future, you are going to have a difficult time with what you are given.

Secretary West, I agree with what you are talking about with patriotism and the recruiting and getting our kids—and we have the best kids in the service. I also view the men and women with the prideful respect that you do and that they also have got to be professionally led. But I think it is long—at least my personal opinion, I don't think they can be led when you have a Commander in Chief who, himself, turned his back on that prideful service. There is not a person in here in a military uniform that outside this room won't tell you the same thing.

Congressman Hunter last week—or this week—talked about Secretary Perry and how he felt that we were doing a disservice to our men and women. Not you, but what has come down to them.

This is a recent article that came out in the Times, and I quote to you:

The Clinton Administration has overruled its top military advisor, General Shalikashvili, and cut Pentagon weapon procurement budget at a level the general believes risks combat readiness, internal Joint Chiefs of Staff document shows. This was a classified document that was released.

I believe we risk future combat readiness and U.S. military if we fail to adequately fund recapitalization study in fiscal year 1997. It goes on and on and on with the amount of cuts.

This is also the view of Maj.—of Chief Adm. William Owens: "After we won control of the House, the President vowed to end the slide of the Pentagon cuts, and he hasn't done that."

Let me make my case by saying that in the testimony it said that all of these savings that we were going to do in these adds were going to come from the assumption that inflation would never go higher than 2.5 percent over 7 years. That is not going to happen. I don't think that you believe it, and I don't think anybody else in this room would.

It was also testified that BRAC savings—how long have we had BRAC? The chart showed that we were level at BRAC savings right now, when even last week the record shows in the Senate that you are \$1 billion in the hole currently on BRAC. Also, acquisition reform, that hasn't happened.

Those are going to limit you. The reason that I say this is that you talk about the F-14 for the Navy, the Comanche and Apache for the Army and the F-22 for the Air Force. If you take a look at the time line when all of these are projected, the F-18 through 2001, through 2004, the F-22 coming on board and then relying on JAST to fulfill that mode down the line in 2008, 2010, all of that is going to be shifted.

Another area that I think that we are doomed—absolutely doomed to failure is we recently got a list that says we are going to cancel four ships for repair—that were slipped from the Clinton 1993 cuts. We are going to cancel the repair on those ships. Four other ships were cut down to 10 percent of the work to pay for Bosnia.

Now, the word that came back to us: Well, this is just worst case. You have doomed it to worst case just by the assumption that inflation is not going to go higher than 2.5 percent and you are going

to have these other savings. I would say to you that this is going to destroy not only military readiness, as is stated in here by even the President's military advisers, but it is going to destroy any chance that we have to maintain the support services of our ship-building and ship repair; and thousands of jobs are going to be lost in California with this policy.

I think it is important to put it on the record that also, when you look at the President, how it ties in, the President's balanced budget in 7 years scored by CBO, that 90 percent of the cuts that the President makes comes in 2001 and 2002. That just happens to be the same time that you are going to increase your military procurement. And you think this President—well, he won't be here by that time, even if he is elected for a second term, but do you think that they are going to raise the cost of military and reduce the cost of all of the social programs? It won't happen. I just think that you are tasked with a very difficult task, and I would ask the Secretary to comment on the F-14.

Secretary WEST. Before you do, Mr. Chairman, since I was mentioned in your comments, Congressman, may I say a word?

I respond to your comment's about the President's leadership of our troops. I speak for the Army. I suspect I speak for all of them.

My soldiers will follow the President wherever he leads. They will do so for two reasons: First of all, they took an oath when they were sworn in, an oath with which you are familiar, sir, in which they agreed to obey the orders of law placed in over them and of the President of the United States. He is their Commander in Chief.

I say this not necessarily because I am called to respond but because there are uniformed officers in our presence and within the reach of our voices. They will follow him, and he can lead them.

Second, this is the President who, unlike any other President, has committed himself to pay the maximum pay raise permitted by law throughout a period passed—passed just this year; and he committed to it a year ago, with pressure from none other than those who advise him. That is his choice, and he has made that commitment, and he has lived up to it.

This is the President who himself placed \$25 billion—an additional \$25 billion in the budget devoted to the concerns that we just talked about, Congressman Skelton. That is, the concerns of families and taking care and providing quality of life for his soldiers.

Mr. CUNNINGHAM. Reclaiming my time.

Secretary WEST. This—

Mr. CUNNINGHAM. This is the same President in 1993 that cut veterans and military COLA's. This is the same President in this balanced budget that did the same thing with military COLA's, and we saved it right here.

Mr. ABERCROMBIE. Mr. Chairman, can we get back to the hearing at hand as opposed to the politicking? Or I am going to start going into Mr. Gingrich's great service record.

Secretary WEST. This is the President who has been greeted around the world by soldiers who have displayed their affection and respect for him.

I am done, Mr. Chairman.

Mr. CUNNINGHAM. The point is, the military budget has been cut; and it puts, even according to General Shalikashvili, below what is readiness levels.

The CHAIRMAN. The Secretary would like to answer the question.

Secretary DALTON. I would like to answer the question. I do also want to respond briefly to that comment.

I have been with the President with seamen and corporals of the Marine Corps, up to four-star admirals and generals in the Navy. He does enjoy their respect. This is the President that did give us the pay raise, that increased housing for sailors and marines by 30 percent in 1994 and 1995 and also was supportive for their retirement benefits for HI-1 and HI-12.

With respect to the F-14 that you asked about, Mr. Cunningham, and what is being done with respect to it, the first thing we did was have a CNO stand-down that was for 3 days and looked at all of the F-14's for maintenance, for training, looking at what we were doing and learning from past mistakes and reviewed procedures and flat operations from the standpoint of saving.

Similarly, we have made some changes with respect to the mechanics. On the TF-30 engine, we have a new engine breather that we have now funded. We have also a new digital flight control system where testing was completed in December 1995. It is an \$80 million issue, starting with \$9.6 million in 1996, \$30.4 million for the 1997 budget; and the remaining \$40 million for the total \$80 million will be done in fiscal year 1998.

We are also doing significant and comprehensive examinations, investigations of each of the accidents; and they are in process as we speak and will be completed in the near term.

Also, I would like to point out, to put this into perspective, as of March 4, 1996, if you look at our record over our history of 50 years—and I have a chart here that illustrates this—but 1994 was our safest year in naval aviation history and 1995 was second to it, followed very closely to it; and up to today of fiscal year 1996 we are very near that 1995 record. We have come down significantly.

Obviously, any accident where someone's life is lost or we lose a type A aircraft of \$1 million or more is serious and we regret it; and we treat each one individually and look into them with great detail, in as comprehensive and professional a manner as we possibly can, because the loss of life is precious and this is a dangerous business. These are outstanding professionals that are out there every day doing their job, and I salute them.

The CHAIRMAN. Mr. Sisisky.

Mr. SISISKY. Thank you, Mr. Chairman.

I thank all of you for being here. I am not going to make a statement. I will just ask some questions, really, basically what I brought up in front of Dr. Perry and the other people, with some exceptions; and one of them is privatization.

It seems that there is a wave in the Pentagon and in the Congress, too, about privatization; and all I said the other day, be very careful. I think in the long term, if we go too far—and there is a provision in the Pentagon I know to go very far—then we are going to be very sorry.

You know, we talk about war. This is what you do. It is different than a lot of things, and sometimes you need Federal employees to do these things. So please be very careful in going too far with that.

There were two things, Secretary West. I notice in your testimony, and it may be because you consolidated, but over the years I thought that the Comanche was the real priority, and you didn't really stress that. Did I notice a cut in the research and development—and I would like to ask all of my questions first, if you will. Did I notice a cut in the research and development of the Comanche? I asked the staff, and they said, no, but I thought I saw that.

The other thing that somebody brought up that I brought up to the Secretary of Defense, I noticed in there that the \$495,000 in 1999 could be reduced to \$475,000, because you could make the infantryman a better—but I don't think that solves the problem of stress. Be very careful about that. A 20,000-person cut is a big cut in the Army today.

I have Army installations, and I know what they are working at—in laying off good people. This is the thing that we need to worry about.

You also brought up a question of mines, the clearing of mines. We had a hearing a few weeks ago, and I think there is a difference in the doctrine between the Army and the Marine Corps.

Remember about 12 years ago I brought up the question of mines. I had a resolution, and everybody said they would work on it. You progressed somewhat but not what you should be. Now, if we are not putting enough money in there—we put money in there, and we noticed it was reprogrammed at some time, and that is not the best thing in the world.

So hopefully—but Bosnia, we all understand that we need to put high technology in there to destroy mines. General Shalikashvili corrected me. I thought mines were the biggest killer of people. He said it was artillery. But if you do all people, I think mines would be the thing that destroyed the most.

To Secretary Dalton, and I know we talked about this, and I am not bringing to bring it up again, except the submarines. You know, please don't wait too long to work on this to get the money. We need to do it as soon as possible.

You spoke about readiness today, and I am worried about, you know, what are we going to do in the future to be sure that we have the readiness. This is in all services.

You heard Mr. Cunningham, one part of it, the casting repair on ships and things like that, but I want to be sure that we don't—there are some money problems and not repair and do the things we need to do, because in the end it is going to cost us more money. But what I would like to know is what we are going to do to ensure readiness in all of the services in the future?

Secretary DALTON. Well, as far as ensuring in the future, I think we have to know where we are today. These are things that we measure, and I get reported to on monthly—things like the teaming days per quarter, flight hours per month, percent of spare parts availability, personnel, the backlog of maintenance for aircraft and engines. These are indicators that we can measure and keep up with.

There are some things you can't measure, and that is one of the reasons I like to get out to the fleet on a regular basis, to check on morale, how we are doing with our core values, commitment, character, integrity, development. Those are things very much a part of readiness as well.

In terms of predictive indicators for personnel, recruit quality is one indicator, retention, reenlistment, how we are doing in terms of maintenance spares and projection—projection of those procurements and maintenance installations and how we are doing with the maintenance repair that needs to be done. Those are all important indicators that we need to follow and prepare for and have a time line to address, and I think those are the types of predictive measures of readiness that we think are important to follow and be prepared to deal with.

Mr. SISISKY. I might just—I might say, I want to congratulate the Navy and the Air Force. I notice the lack of carriers in the Mediterranean and the Air Force picking up the slack there. I don't know how—is it Bahrain that you had—

Secretary WIDNALL. Yes. In fact, we are on our way to Jordan, maybe today.

Mr. SISISKY. That is right. Jordan is a place—but it also brings up another problem. If we would have a carrier damaged in some way, whether a crash on it or something like that, if you have to have an area of 5 months, it could really add into a year or two in doing it, and that is another readiness problem. But I want to congratulate both of you for doing it, because that is what the inter-service thing is all about, and I think very important.

Secretary DALTON. Thank you.

The CHAIRMAN. Mr. Watts?

Mr. SISISKY. Secretary West had a response.

Secretary WEST. No, we have not cut our funding for the program as was restructured, I think, back in 1995. The RDT&E funding is not cut. We are fully funded—

Mr. SISISKY. I mean, I was sold—

Secretary WEST [continuing]. On the Comanche—

Mr. SISISKY. I was sold on the Comanche.

Secretary West [continuing]. And we are committed to it.

Mr. SISISKY. It is a quarterback in the digital warfare, and I just want to be sure we keep that up.

Secretary WEST. We are committed to it.

The CHAIRMAN. Thank you.

Mr. Watts, the gentleman from Oklahoma.

Mr. WATTS. Thank you, Mr. Chairman.

Secretary West and Secretary Dalton and Madam Secretary Widnall, I appreciate you being here this morning and taking the time from your busy schedules to be here.

Let me first say that I have great respect for what you all do and for the soldiers and sailors and airmen and marines that you lead. I take great pride in America's military forces and who they are and what they stand for, and it is always an honor for me to be in your company and talk about our military issues and trying to come up with solutions as we make sure that we sustain the greatness of our Nation. I especially want to thank you, Madam Secretary, for being here today.

It is with great concern that I address the Air Force plan for the implementation of the Defense Base Realignment and Closure Committee recommendations. Specifically, I want to discuss the President's privatization in place plan for your air logistic centers.

Simply put, when we talk about privatization, it implies we are moving Government-provided services into the private sector with an associated cost-savings to the American taxpayer. But that is not the direction our Air Force has apparently taken. The President has taken an apolitical process that may save billions of dollars if implemented, as recommended, and turned it into a—what seems to be a political quid pro quo.

Moreover, his privatize in place plan appears to violate the public law, robs funding from modernization accounts and will unfavorably impact readiness as money is spent to keep facilities open that the BRAC directed be closed.

While privatization can be a good thing, the devil is in the details. There are so many problems with the idea to privatize in place that it is hard to talk about one or two, but allow me to try.

Privatization in place was never a BRAC option. In fact, as Mr. Hansen said, I kind of started the inquiry process in talking to the commissioners of BRAC and talked to them at length about this issue. Several of the commissioners responded back, and one Mr. Hansen quoted.

She responded to my inquiry by saying, "The Commission clearly did not intend to privatize in place. As noted in our findings, closure permits significantly improved utilization of the remaining depots and reduces DOD operating costs. While the Commission encouraged privatization in place, our report addresses it directly. Such was not the case with air logistics centers. If any Commissioner had offered a motion to privatize in place, as the President proposes, I am 100 percent certain that such a motion would have been defeated handily."

If the Commission had decided to realign any of the ALC's that stood the test, to offer that there would not be a privatization in place alternative under way, the reasons are simple. I think electoral votes are not at stake. Moreover, continued operations at Kelly and McClellan would fail to address the overcapacity issues cited by the BRAC as a basis for their closure recommendations.

Continuing investment in keeping bases open that were recommended for closure will cost millions of dollars that could be better used for modernization and readiness. You see, for every unnecessary dollar spent to support private sector management in our depot activities, there is one less dollar available for modernization and readiness. This is especially true of contractors who take over the depot functions, who take over the terminations that occur, the standard business takeover practice.

If the same workers in the same facility perform the same jobs using the same equipment, the Air Force will not save the American taxpayer a single dollar. All that has been done at that point is the addition of another level of management and cost to the business of depot maintenance. The readiness issue is not simply affected by cost but by the general processes that are at work within the private sector.

I ask you, Madam Secretary, to consider the impacts on readiness; and I ask the administration to consider the impact on readiness if private sector workers who may be responsible for core maintenance efforts decide to strike, walk out or shut out. Where will our soldiers, sailors, airmen, and marines be if they are engaged in a fight and their equipment cannot be repaired because the depot is locked down due to an employee-employer disagreement?

This would be horrible, because I believe that we expect America's sons and daughters to go around the world to protect the freedoms and the interests and the principles and values that we hold dear as a Nation. I believe that if we expect them to do that, we must give them the resources to win, not the resources to play a good game. These soldiers, airmen, sailors, and marines, where they go, they go where they are asked to go, and they defend and they do their work proudly.

In closing, Madam Secretary, the President's vision of privatization needs to be modified. While I support expansion of the private sector of the Government services and the associated savings that may come from a well-thought-out strategy, privatization must be done with due regard for its impact on modernization and readiness. We cannot afford to allow the men and women of our Armed Forces to be brought to their knees by virtue of the inability to repair the tools of their trade.

A rightsized depot system must be put into place before we open the door to wholesale privatization of these extremely important services. Only then will we have done what is required of our pledge to support and defend our Nation against those who may attack our security.

I encourage this administration to reexamine the privatize in place option, and I encourage the administration to please move slowly. For if this door is opened I assure you it will come at the continued expense of modernization and readiness.

Mr. Chairman, I thank you for your patience.

Madam Secretary, if you feel that you would like to respond to that, I would appreciate it. But I know that Mr. Hansen was not aware of it but got into some of my statement or question, whichever you recognize it to be. But if you would like to respond.

Secretary WIDNALL. Yes. I would like to respond and make several points without going on at great length.

First of all, let me make it clear that we will follow the BRAC law. We will close those bases. We will turn those rather unique assets over to the private sector.

In my view, privatization in place supports readiness. It is one of the main reasons why the privatization in place initiative is attractive. I could use the example of Newark Air Force Base where we have incredibly unique facilities. The cost to duplicate those facilities at another base is prohibitive. The only way to get value for the taxpayers, avoid a break in our ability to repair the guidance system on Minuteman missiles, which is the primary work of Newark Air Force Base, is to work with the private sector to turn those facilities over for reuse use.

We intend to follow best commercial practices in our dealings with industry. We will not constrain private industry to do some-

thing that is not cost-effective for the American taxpayer. So we are far along with what I view as a very successful experiment at Newark Air Force Base, which is our sort of leading wedge at privatization.

The same situation exists at the other ALC's. We have truly unique facilities which were constructed at great expense to the American taxpayer that are dedicated to repair of certain components. To try to duplicate those facilities at another ALC would be prohibitively expensive and would not provide best value to the taxpayer. To be able to turn these over to private industry so that industry cannot only do work for us but for the commercial sector as well, offers opportunities in reuse of taxpayer-provided facilities and we need to get the best value for the process that we are going through.

So I am optimistic about privatization. I am cautious about the challenges of privatization. I do not want to oversell the challenge that we are faced with in moving this successfully forward.

The CHAIRMAN. Thank you.

The gentleman from Virginia, Mr. Pickett.

Mr. PICKETT. Thank you, Mr. Chairman, I want to welcome our witness today.

Secretary Dalton, when you got pressed on the issue of what you were doing about procurement and how technology plays a role, I think you overlooked an excellent example that the Navy achieved in the LANTIRN system for precision-guided ordnance for the F-14. That is a hugely successful story about cooperation between the Navy and the Air Force, where the Navy took a pod which had been designed and built for the F-15, I believe it was, and managed to link it onto an F-14 without changing the internal electronics of the F-14, and got a precision-guided bombing capability out of the F-14; a remarkable program that I think we owe a lot of thanks to Adm. Richard Allen, better known as Sweet Pea, who headed up the effort.

That leads me to the next issue, the impact of the increasing capability of the units that you have. General Shalikashvili on Wednesday gave us the example perhaps of a tank unit where if you increased the capability by 20 percent and you have five tanks in a unit, then that enables you to maintain the same capability and reduce the number of tanks down to four. I know all the other services have similar stories that they can tell about things they have done to increase their efficiency and operational capabilities.

The issue about operational support aircraft, Secretary Dalton, is one that concerns me a great deal. I follow this issue fairly closely and this is not a parochial kind of thing, but I think the proposal to take all operational support aircraft and centralize them under the Air Force would be a big mistake and would cut deeply into the readiness capabilities of the Navy. I hope you will look at this issue very carefully before you give any ground on giving up your operational support aircraft.

The one thing I would like to hear from you all on is this; when the Secretary and the Chairman of the Joint Chiefs was here on Wednesday, they said that number one priority in what they were attempting to do was readiness, and that the key component of

readiness was the people that we depend upon to execute their programs.

I would like to hear from each of you whether or not you believe that the readiness requirement for your respective services is adequately funded in the budget as presented to the Congress, and I would like to know whether or not you believe that the personnel component has been adequately funded; and third, I would like to know from each of you if there were additional monies to be made available to your respective service, where would you like to see that money go?

Thank you.

Secretary WEST. Do you have a preference of how we start?

Mr. PICKETT. No. You work that out among yourselves.

Secretary WEST. Since you referred to General Shalikashvili's comment about enhanced capabilities of weapon systems, and he mentioned tanks, as I recall, that was in the context of a discussion about Army end strength. That was the 495 issue which has sort of appeared already here.

Certainly we as a service are putting a lot of our time into enhancing our capabilities. That is what modernization is all about. It is not just keeping up with current requirements; it is looking at the threat we will face.

Sometimes those enhanced capabilities do not necessarily connect to an immediate lessening of the numbers or the units we may need. They may simply meet a threat of a different sort, a threat of a different quantity, a threat of a different quality.

In terms of if it is the issue of end strength that you want me to comment about, our number is 495,000. That is a Bottom-Up Review number, a number arrived at by analysis. It is a number that the Secretary of Defense has blessed for us.

At the same time, we remain challenged by the Secretary and by General Shalikashvili's observations, among others, to look at what the increasing capabilities may do, to look at whether there will be a point at which—because, as he said, a unit might be more capable, that that means we could look at a different division or brigade organization or what have you. I think that is the context in which it came up.

Mr. PICKETT. I think he was emphasizing more bang for the buck.

Secretary WEST. That is certainly the effort towards which we look, more bang for the buck. I think I am jumping a question or two, but you also asked if the services are willing to in essence certify to you that we have in the budget sufficient money to meet our personnel requirements and our readiness needs; is that right?

Mr. PICKETT. Yes.

Secretary WEST. We have funded readiness here. It was, as Dr. Perry said, our number one requirement. For us, our measurements of readiness are not that dissimilar to other services. They go by different names, OPTEMPO is one of the crucial elements, tank miles and air miles we have funded to our requirement. This budget contains funding for 800 miles of active component, 14.5 flying hours, 800 miles for tank miles, 14.5 flying hours. That is the very optimum requirement that we have for readiness; 181 tank

miles for the Army National Guard, 5.4 flying hours, and a similar requirement for the U.S. Army Reserve.

We believe that funding the OPTEMPO along with the funding we have done for power projection platforms and for quality of life, because we consider that putting the soldier's mind at rest about his or her family is an important component of that soldier's ability to do the job to the best of their ability. We believe those combinations enable me to say that the Army fiscal year 1997 budget funds readiness and makes us able to deliver to the American public a ready Army; near-term readiness.

If your questions have to do with far-term readiness, which has to do with the modernization debate, then we have before, already today, that the funding for modernization we must look to. We have described what our plans are. But today we don't think that the funding for modernization endangers readiness for today's Army. But what it calls into question is that we be sure to do things to keep that Army ready in the coming years. I think we have a plan to do that.

Secretary DALTON. I appreciate your confidence in Adm. Sweet Pea Allen. And I also agree with that program. I didn't attempt to cover all the programs that we have had some very positive success in, but I agree with you about that.

With respect to change and how we are doing things differently than we used to, we are indeed moving to more cost-effective ships. The DDG-51 *Arleigh Burke* class destroyer uses fewer people, has more firepower than the ships it is replacing; therefore we need fewer of them. What we are doing with the arsenal ship, the design for it and SC-21, we are talking about having greater firepower beyond that, 500 to 1,000 missiles on a ship that has as few as 50 people. SC-21, the follow on to the DDG, would follow a similar theme.

As far as fully funding readiness, we have done that in this budget. That does include the personnel account. I point out the 3 percent pay raise that we have in this year's budget, and that is being well-received by sailors and marines in the Navy Department.

With respect to additional funds that might become available, our high priority there would be the submarine program, to get the 1999 boat, fast procurement for it, and funding the four submarines, two of which will be built at EB, two of which will be built at Newport News, and also accelerating our shipbuilding account. We do have a relatively young fleet and we are blessed by that, but in the out years we do have a bow wave to address. If we could move that forward and fund some of the ships in this FYDP, that is how we would use additional resources.

And the same thing would apply to perhaps more rapidly funding the AA AV and building as many of 6 V-22's in this year's budget. Those are the priorities of how we would use the dollars should they become available.

Secretary WIDNALL. It is clear that technology has given the Air Force dramatic improvements. We saw the value of stealth technology in the gulf where we could operate at will in the skies over Baghdad. We saw the advantage of precision-guided munitions both in the gulf war where there were a small percentage of the

weapons used, but specifically in the recent action in Bosnia where minimizing collateral damage because of the obvious political fallout was an absolute requirement. We are sold on PGM's. We have seen the future. We like what we see.

Another thing is we have been involved in these operations, we are beginning to learn what is really important. One of those is the linkage of information between platforms, ground commanders and the component commanders using our space systems to get the intelligence to the war fighter, intelligence to the cockpit; that is another area where technology has given us a great leap forward.

We are bringing on the potential use of a direct global broadcast system to the theater. We are running real-time experiments in Bosnia to try to link all these things together. We are learning very rapidly what technology can bring to us, and we like what we see.

With respect to readiness, the Air Force has put a very high priority on readiness. It is fully funded. The training, the spare parts, the depot maintenance for our platforms, training for our people, we pay a lot of attention to quality of life, we pay a lot of attention to providing support on our bases that do the things that we know are necessary to take care of families. The pay raise is extremely important. So I am very pleased with the state of readiness in the Air Force.

With respect to our needs, our priorities, the issue of modernization, let me characterize our modernization program that we have presented in the following way. We have funded our top priority modernization programs in this budget, the C-17, the bomber upgrades, the PGM's the F-22 and JSF Program. It is a high priority for us to see that these programs are well managed and that they give best value to the taxpayer.

There are several categories that we would want to put additional investment into. I guess I would characterize these in several ways. One is recapitalization, and by that I mean filling what we see as a requirement to add to our F-15, F-16 forces in order to have the required force structure until the new stealth technology comes into the force. So that I would characterize as recapitalization.

There is another category I would characterize as upgrades. I could give an example. We, for example, did a recent study to see at what point in time could the AWACS mission be done from space. The result of that study convinced us that we would have the AWACS up through 2025.

So what needs to be done between now and then in order that we keep the AWACS in the fleet? We have to take care of the airframes, we should think about upgrading the engines, we should think about taking the sort of previous-generation avionics and upgrading to more of a commercial off-the-shelf open architecture avionics system, so that there are several examples of that all through our fleet; better data links for F-16's. So there is a whole category of modernization that I would put in the category of upgrades to current platforms that we know we are going to keep in the force for the foreseeable future.

The final category would be to accelerate those programs which are already in our budget but it is possible to accelerate them. With some programs it is not. The F-22 can't be accelerated. That

is fully funded, and it is right on track. But there are other programs that can be accelerated such as PGM's.

Mr. PICKETT. Mr. Chairman, I think that Secretary West overlooked giving his priority list. Could you do that please?

The CHAIRMAN. If it is not too long.

Secretary WEST. Thank you, Mr. Chairman. We wouldn't want to pass up this opportunity.

We, too, think that the most important thing for us would be to buy out some programs early. That allows us to realize for the taxpayers the advantage of some better business practices while at the same time getting us the capability that you referred to earlier; Avenger, VS-armored tiles, those kinds of programs that we are accelerating and buying out early rather than adding new kinds of programs to our collection.

We could do more investment for economic efficiencies, again looking for ways to improve our ability both to get what we need but to do business better for the taxpayer, the Aquillo Warrior, for example, ATCMS block 1-A, JSTARS; those kinds of things, as well as IRV, would enable us to do business better; logistics automation, combat support and combat service support and a host of things.

And, oh, yes, there are some things we would like to do to support the Reserve components as well, MRLS, Paladin, Avenger for the Army National Guard, redesign requirements.

Thank you for this opportunity, Mr. Chairman and Mr. Pickett.

The CHAIRMAN. Thank you.

The gentleman from Georgia, Mr. Chambliss.

Mr. CHAMBLISS. Thank you, Mr. Chairman.

Let me echo the welcome and appreciation to you for being here today. It is enlightening to have this group testify before us. And it is always a pleasure to have a chance to visit with my long-time friend, Secretary Dalton, who we go back more decades than either wants to admit.

Mr. Chairman, I am pleased for you to note that his young wife is here. Margaret and I graduated in the same high school class in Shreveport, so I know how young she is. She is just as pretty now as she was back then.

Secretary Widnall, while I agree with you on more issues than we disagree, I must tell you that our disagreement over this privatization in place is very significant. You have mentioned as referring to Newark as a successful experiment at Newark and that it saves taxpayer dollars. We know that in December 1994, the GAO report came out in which it stated that privatization in place at Newark would cost \$456 million more over the 5-year period, from fiscal year 1996 to fiscal year 2000, to operate as a contractor-run facility than would have been the case had the facility remained as an Air Force depot.

You are also aware that the GAO has just released this week a new report entitled, "Closing Maintenance Depots, Savings Workload and Redistribution Issues," in which they note with regard to Newark, and I quote, "a later cost estimate projected that over a 5-year period the privatization option may cost \$600 million more than would have been incurred had the depot continued operations as a military depot."

In referring to Newark as being a success and with the experience that we are seeking there, based upon the GAO report, I really am somewhat appalled that we would even think of that example as being a success. Under the circumstances, I am wondering whether or not it even makes sense to pursue privatization in place anywhere else. I would like you to comment on that.

Second, I want to make specific reference to the privatization of McClellan and Kelly. I reference your commander of Air Force Materiel Command, General Viccellio's February 6 announcement, in which he identified five prototype workloads presently performed that will be contracted out to private industry only. In light of that announcement, let me remind you that title X, section 2469 of the U.S. Code says that a depot level maintenance or repair workload is not changed to performance by a contractor or the Department of Defense unless the change is made using competitive procedures for competitions among private and public sector entities.

That requirement applies to all workloads of values over \$3 million, a category into which all five of those prototypes falls.

My question is, I know you understand the requirements of 2469, but is it your testimony here today that your prototype plans for privatization in place comply with that statutory requirements?

Secretary WIDNALL. Let me first deal with the issue of Newark, because I think it depends a little bit on what baseline you are looking at.

When I came in as Secretary of the Air Force, that was post-BRAC 93. So the decision to close Newark Air Force Base had already been made. The situation facing the Air Force then at that point was whether to move those facilities, which basically means rebuilding those facilities at another base or to privatize that rather unique workload in place.

I think with respect to that decision, it is much more cost-effective for the taxpayer to privatize that workload in place than to even contemplate reconstructing those facilities at another location. These are truly unique facilities. I am talking about concrete floors that are 12 feet thick, buildings that were built for special purposes, incredibly detailed scientific and engineering equipment.

We are certainly cognizant of the GAO report, and I guess our view—of course, they are comparing a slightly different situation. They are comparing what would have happened if Newark had remained an Air Force base. We are watching those numbers. We are not convinced that in the end the GAO numbers will be proven right. So I think we are very comfortable with where we are in terms of the projections of what it is going to cost to do that work at Newark relative to what it was when it was an Air Force depot. With respect—

Mr. CHAMBLISS. Before you leave Newark, there was a reason why BRAC said we ought to close Newark. They took into consideration exactly what you are saying, that maybe other facilities would have to be constructed elsewhere, but there was a reason. That is an independent body that made that decision, and we are flying in the face of that decision.

Secretary WIDNALL. I understand that, but I was not involved in that decision and have never reviewed the basis for that decision

or the number set on which that decision was made. I am dealing with a situation as I found it when I came in.

Mr. CHAMBLISS. That is my point. That decision was made to close that base. That decision was made that those facilities ought to be moved somewhere else.

Secretary WIDNALL. I am not sure the second part necessarily follows.

Mr. CHAMBLISS. That is the purpose of BRAC, as I understand it. But the report shows that what we are doing is costing the taxpayers between \$456 and \$600 million.

Secretary WIDNALL. Sir, I believe that is a projection based on their best analysis of what will happen, and the Air Force has a different view.

Mr. CHAMBLISS. Go ahead.

Secretary WIDNALL. With respect to the second issue, not being that close to the contractual issue myself and certainly not being a lawyer, I would hesitate to comment on that, General Viccellio's interpretation of that.

Mr. CHAMBLISS. Thank you.

The CHAIRMAN. Thank you.

Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman.

Let me begin by thanking the three Secretaries for sticking around for 2½ hours. I know you are busy. Let me begin, Secretary Dalton, by thanking you for the timely signing of the contract on LHD No. 7. As the rescue of Captain O'Grady proved, it is a very valuable resource to all the armed services.

I want to encourage you to consider the good work of the Pascagoula Shipyard when you sign the contract on LPD-17.

I also want to make a very personal request; that since it has been the decision of the Navy to name the LPD ships after Marine battles or marines, that you strongly consider Lance Cpl. Roy Wheat of Mosel, MS, who won the Medal of Honor, who dove on a land mine to save his fellow marines during the Vietnam conflict. I certainly would encourage you to consider that.

If I may, Secretary West, I hate to be the bearer of bad news, but I am going to make a personal request of you. I think this is kind of unusual. I am going to ask you to close a facility in my district. Back in 1989, it was the decision of the President of the United States, and the House voted to save it, the Senate did not, the Mississippi Ammunition Plant. Since then you have spent, in the last 3 years, something like \$15 million a year to maintain a facility that your Army Materiel Command won't even consider for the next style of 155 millimeter rounds, the Centurion.

If you are not going to use it, sir, let me encourage you to close it. Either sell it to the private sector or transfer it to the Navy.

There are two Navy oceanographic commands within rock-throwing distance of that facility. It is at the National Space and Administration Testing Facility in Hancock County, MS. It is a waste of the taxpayers' assets. They spent from \$600 to \$900 million to build it and the Army Materiel Command has been the biggest roadblock toward the privatization of it.

If you are not going to use it, sir; let it go. If you are going to keep it, use it. It is not fair to the taxpayers under the present circumstances.

That is really all I have to say.

I want to thank the Secretary. It is my understanding that he has included four DDG Class 51's in his request this year. It continues to be the mainstay of the Navy surface combatants.

I want to thank all of you. You do an outstanding job.

Secretary West, please don't take my criticism of one very small aspect of what the Army does as an overall criticism. Overall, you do an outstanding job with the resources that you have. This is just something that I think needs fixing.

Thank you.

Secretary DALTON. We will certainly consider your request with respect to naming of the ship. One of the privileges I have is naming ships, and I will certainly entertain that.

As you correctly state, we are calling for that number of DDG's, one of which is to pay for one which is authorized but not appropriated in last year's budget, and then the three for this year.

Mr. TAYLOR. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Stump.

Before we get any further, I understand the Secretary has to leave by what, 1315?

Secretary DALTON. Yes, sir, I do.

The CHAIRMAN. If we can get through by that time. Otherwise, we will have to come back for the rest later on. We will try to push along.

Mr. Stump.

Mr. STUMP. Thank you, Mr. Chairman. I will do my best to expedite.

I want to thank all of you for appearing today. I do have some questions that I will submit in writing, if I could, Mr. Chairman, but would like to ask Secretary Dalton one question.

Our recent DOD Authorization Act, I believe, instructed you to restore at least two of the battleships back to inactive status. Now, I hear or I understand, perhaps, Navy Sea Command has ordered the destruction of some of the 16-inch barrels that we have. Is that true?

Secretary DALTON. Mr. Stump, we plan to abide by the legislation and we are called on to keep two in a situation of mothballs where they could be rehabilitated, and plan to do that. I am not aware of anything with the guns, but will check on that.

[The information referred to was submitted for the record:]

The Navy disposed of nine 16" gun barrels because they are excess to the Navy's needs as replacement spares. An additional twenty-six 16" gun barrels are being held as spares at several locations in the United States. In view of the excellent material condition of existing 16" gun barrels on each of the IOWA Class battleships, this inventory of spare barrels is more than sufficient to meet possible replacement needs.

Mr. STUMP. I understand Naval Sea Command has ordered destruction of some of those barrels. They are probably irreplaceable. I don't think anybody in the world could reproduce them. It seems to me they could be stored someplace. If, in fact, we did have to

use the two, I think with just two, those barrels that are on there would wear out pretty fast.

Thank you, sir.

The CHAIRMAN. Mr. Tejeda.

Mr. TEJEDA. Thank you, Mr. Chairman.

And welcome to each and every one of the Secretaries, Secretary West, Secretary Dalton, Secretary Widnall. Thank you very much.

I would like to say that I greatly appreciate, Secretary Dalton, all the information and your comments on the Navy and the Marine Corps, and I thank you very much for the outstanding work you have done and you are doing as Secretary of the Navy. Thank you very much.

Secretary DALTON. Thank you, sir.

Mr. TEJEDA. Secretary Dalton, what success have you seen in recruiting minority officers in the Navy and in the Marine Corps?

Secretary DALTON. Mr. Tejeda, in the Navy-Marine Corps we have historically done well in the enlisted ranks. But one of the things I noticed upon assuming office is that we were not doing well with recruiting minorities, and asked for a study to see, to project using demographic studies to see where our population would be by the year 2005, and found that approximately 12 percent of our population would be black, approximately 12 percent would be Hispanic and approximately 5 percent would be Native Americans and Asian-Pacific Islanders as a group. With our goal to reach out and have the highest quality Navy and Marine Corps and to attract people into the Navy and Marine Corps at the highest level in order to protect the society and defend the society that we represent, we established goals to try to have accessions into our officer ranks as goals to reflect those in the 10 to 12 percent, 4 to 5 percent range. I am pleased to say that we have enjoyed significant progress with regard to that.

In the Navy ROTC Program, we offered a program called Immediate Scholarship Decision. When we had an attractive candidate that met the criteria, we knew that they were going to be selected, rather than put them in the pool and delay it, we let the recruiter say on the spot, if you will sign here, we will accept you. That plus advertising, such things as you find in the current issue of the Black Collegian magazine, how we are advertising on college campuses that are historically minority, has reaped real benefits.

We have a Seaman to Admiral Program that has given minorities an enhanced opportunity. We have the Marine Corps Grow Your Own Program. Those kinds of things, we are on track to reach the goals that we have established so by the year 2000, we will have accessions going into commissioned officer programs, including the Naval Academy, Naval ROTC, OCS and other programs that I mentioned.

I am gratified by the progress we have made. Our goal is to keep quality up where it should be but have a broader net go out to attract and make opportunities available to our entire society.

Mr. TEJEDA. Thank you.

Secretary Widnall, you and other Pentagon officials have taken to task for plans of privatizing depot workload. I would like to focus on this for is a moment so that my colleagues clearly understand that there are benefits to privatization.

First of all, privatization of depot workload is only one part of your overall effort to improve business practices. You cited Newark as your pathfinder project, a base closed by the BRAC in 1993. As far as I know, you were not directed to privatize in place the workload at Newark.

You stated that you did so because there were significant operational and economic challenges to moving the work to other depots. Is this not the case with other workload at Kelly and McClellan?

Are there not, as Secretary Perry stated the other day, means of gaining efficiencies by privatizing the work where it is currently being done?

Secretary WIDNALL. Yes. As I mentioned earlier, my view is that privatization in place supports readiness, and I would emphasize the unique facilities that exist at both those depots that have been built by taxpayer money and are currently repairing extremely complicated equipment. I think it is the best value and the best support of readiness to use those facilities to continue that work and to allow the private sector to have, acquire those facilities so that they can expand the work that they do to include commercial work as well.

Mr. TEJEDA. I appreciate your comments on the legislative barriers to privatization, and I can say that many of us on the committee and in Congress will work with you in a bipartisan fashion to make it happen.

Let me mention and one final note, in response to some of my colleagues' statements on BRAC, the final BRAC 95 report allows the Pentagon to consolidate the workload at the remaining depots or the private sector commercial activities as determined by the Defense Depot Maintenance Council. I will make it very clear; I know that those persons have spoken to you and have clearly stated that privatization should not, will not, and legally cannot be put into place. I understand quite clearly that they are from Utah and Georgia and Oklahoma. But in the beginning, there were many of them that stated, frankly, had we been closed down, believe me, we would be attempting and trying the same thing that Texas and California is.

So again I greatly appreciate your comments and the work that you are doing.

Mr. Chairman, thank you very much.

The CHAIRMAN. I thank the gentleman.

Mr. Bartlett.

Mr. BARTLETT. Thank you very much. And thank you for your testimony today.

One of you mentioned that the second most frequently asked question had to do with quality of life. What is the first? I forget whether that was Secretary West or Secretary Dalton.

Secretary DALTON. I think compensation tends to come up first with the Sailors and Marines. We appreciate your support on the pay raises, and that clearly is important to our troops.

Mr. BARTLETT. Thank you.

Secretary Dalton, as you know from classified information, Russian submarines, they launched, I think, six last year, and the next generation will run faster, deeper, and quieter than anything we

have. Their submarines are now coming closer to our shores, they are staying longer and when they drop deep and run slowly for days at a time, we cannot track them; is that correct?

Secretary DALTON. Mr. Bartlett, we clearly have a major threat with respect to potential capabilities of the Russians, Chinese, now Iranians—there are 43 nations that have a submarine capability today as compared to a much fewer number than that just 10 or 15 years ago. Clearly, they're a threat. And as you point out, the Russian Navy, this is one area that they continue to focus attention on, and that is one of the reasons that we have been moving forward to get the third and final *Seawolf* done and the new attack submarine program started, and also focusing on ASW.

Mr. BARTLETT. My concern is that in the present political climate, with the budgetary constraints you are under, I am concerned that we will be able to respond appropriately to that threat. I think we need a new focus and funding there.

Secretary DALTON. Clearly, I spent most of my time here last year talking about our submarine program. As I say, there were many who thought that the third *Seawolf* was a dead issue, and I was pleased to see that we got 70 votes for that program. And now we are moving into advanced procurement for the new attack submarine to follow, and that will be a program that we have had the pleasure of working with many leaders on this committee, Mr. Hunter and others to develop a program to have state-of-art technology in these new boats.

Mr. BARTLETT. Thank you.

Secretary Widnall, you mentioned the value of precision-guided munitions. Last year's bomber study emphasized the Air Force's need for precision-guided munitions. With this in mind, what is the Air Force budget and plan for the AGM-130, which this committee recognized as an integral part of our PGM base?

Secretary WIDNALL. I would like to get back for the record with the specifics of the program.

[The information referred to was submitted for the record:]

Dr. WIDNALL. Through FY96, the Air Force bought 602 AGM-130 missiles. The Air Force did not include funding for the AGM-130 in its FY97 PB request. However, the Chiefs of Staff's FY97 Plus-Up Request includes \$40M to fund an additional 100 AGM-130s for employment on the F-15E.

Secretary WIDNALL. But let me reiterate that we have a substantial number of PGM programs underway now, including the JASSM program, which we are about to issue an early RFP on. We are fully committed to it, have seen what it can do and are anxious to get on with it.

Mr. BARTLETT. Thank you for your offer to provide specific information.

The CHAIRMAN. Mr. McHale.

Mr. MCHALE. I, too, thank you for your diligence and especially for your patience.

My first question is for Secretary West. On page 27 of your posture statement, you make reference to the Army's continuing obligation to make sure that the 15 enhanced readiness brigades for the National Guard be combat ready. During your earlier testimony, you mentioned that 12 of the 15 are deployable.

My question is, are they combat ready? And of those 15 enhanced readiness brigades, how many have been through the NTC in the last 3 years?

Secretary WEST. In answer to the second question, Congressman, we will get you the number. I don't have it with me.

[The information referred to was submitted for the record:]

NATIONAL GUARD ENHANCED BRIGADES

Each of the 15 Enhanced Brigades will go through a 90 day train-up prior to deployment. There are four pre-designated sites where the brigades will receive a National Training Center (NTC)-like experience during their train-up. Additionally, the 48th Infantry Brigade (Mechanized) from Georgia is scheduled to train at the NTC in June 1996. The 53rd Infantry Brigade (Light) from Florida trained at the Joint Readiness Training Center (JRTC) in June 1995 and the 39th Infantry Brigade (Light) from Arkansas will train there in June 1996.

Secretary WEST. But in terms of how many are combat deployable, we measure their readiness for purposes of using them for deployments. I would expect that of the 15—the reason, incidentally, that the other three are not rated at the appropriate level of readiness is that we are taking directed action to bring them up. But our purpose is to be able to use them, if necessary, for support of deployments.

Mr. MCHALE. My concern is that it is our purpose to use them, but we are not prepared to use them. The question is not intended to be a trick question. I asked the same question last year, and at that time, none of the 15 had been through the NTC.

Our two-MRC strategy is wholly dependent upon the combat capability of those units. And as someone who presents this question in a challenging but not aggressive way, we need to make sure that when we promise that they are ready to fight, that we can deliver on that promise, and I have grave reservations in that regard; which do not reflect on the quality of the soldiers or their leadership, or certainly yourself. These are superb soldiers, as good as we can find anywhere, but if we don't bring them together in peacetime as a unit and train them in peacetime as we will fight them in war, saying that they are deployable when they in fact don't go through the live fire training that is essential to that capability, holds out a promise upon which we cannot deliver.

So as someone who wants to work with you to make sure that they receive that training, I would urge you to look into not just their deployment capability but are these units ready to fight within 90 days, and I have grave reservations as to whether or not that is the case.

Mr. WEST. There is a distinction between immediately deployable in terms of 90 days and other deployability criteria. We believe these units can make the contribution that we have in mind for those enhanced brigades. Nevertheless, I take your message.

Mr. MCHALE. I think it is critically important that you establish a routine rotation schedule such that these brigades, like active-duty brigades, pass through the NTC on a routine basis to make sure that they are ready to fight. They certainly have that capability. If we give them the training, I have no doubt that they are able to do so.

My second question has to do with a possible plus-up for the AAV. Once in a while I get a decent haircut and go back on active

duty. I trained in January with the 24th MU down at Camp Lejeune. Both the Navy ARG commander and the MU commander are superb individuals, and that unit is going to do a great job on deployment.

When they deploy, however, later this year, they will be deploying with AAV's that date to 1971, and a technology that goes back to the early 1950's. I applaud your efforts to move forward on the AAV and encourage you to work with some of us who would like to see a plus-up in that area to see if we might increase the rate of procurement so that the AAV ends up in the fleet a little more quickly than currently planned.

Could you comment on the AAV?

Secretary DALTON. Yes, sir.

It is a very high priority for the Marine Corps. As you know, it is the primary means of armor-protected water and land mobility and direct fire support for our Marine infantry during all types of combat operations. As I stated, responding to Mr. Pickett, if additional money were available, that is certainly one place that we would look. The program did lose 2 years and \$190 million in the fiscal year 1995 cuts. We regained 9 months of that in a \$170 million plus-up over the FYDP from PDM 2, and an additional year could be gained to put us back on track, I think, with some \$80 million over the FYDP. But we think our program is balanced that we have, and does meet the needs on a reasonable time frame. Obviously, if more resources were available, we would certainly accelerate this program as one of our priorities.

Mr. McHALE. I would simply say that a possible plus-up in the range of \$20 to \$40 million on this program is my top personal priority. And to the extent that I can be helpful in committee or in conference, it is something where I think we can bring to the fleet a dramatic step forward in terms of combat capability.

Finally, as you are aware, we have authorized and appropriated the funds for one of the three ships necessary for the NPF-enhanced program. I would simply bring to your attention that based on current law and the authorization given to you, realizing that we give you authorization but not money, and I appreciate the position you are in, if we can move on the second ship before the end of this year based on the RFP as it now exists, we can acquire that second ship without duplicating the bidding process that otherwise would be necessary. So I would ask you to take a look at that.

We have a December 31 deadline, but if we can find the funds, we don't have to duplicate the bidding process, we acquire a second ship very quickly and at a lower expense to the taxpayer. I bring that to your attention and I hope we can speak about it later at length.

Secretary DALTON. I would be happy to discuss that with you.

The CHAIRMAN. Mr. McKeon.

Mr. McKEON. Thank you, Mr. Chairman.

I want to thank the Secretaries for being here. I am new on this committee and maybe my questions will reflect that, but I am in a learning mode.

Secretary West, I am having a great deal of difficulty understanding the rationale for moving an Army helicopter detachment from Air Force Flight Test Center at Edwards Air Force to Ala-

bama. The GAO and DOD have written studies promoting the idea of having the services employ each others' research, development, test, and evaluation and maintenance facilities as a way to reduce excess capacity.

The Army's mission could have been consolidated in California by using the Navy's test range at China Lake. Under the Army's plan just announced, this mission will be based at separate facilities that are 2,000 miles apart. Millions of military construction dollars would have been saved if the Army had kept the test wing at Edwards and used China Lake. Could you respond to that please?

Secretary WEST. I believe you are talking about part of a decision to consolidate helicopter activity, testing in two locations rather than three, and one of those locations was in Alabama which is the center at Fort McClellan of our helicopter activity.

Mr. McKEON. Edwards and China Lake could serve the same purpose. Instead of being 2,000 miles apart—

Secretary WEST. We are moving from three locations for all our helicopter activity, testing and development activity, to two. Edwards had been part of a group of Edwards, Yuma, and Fort McClellan. The decision we made, which can't please everyone, was to try to save money by consolidating the three in two locations.

Mr. McKEON. What I am saying is, it didn't save money because it results in new construction.

Could you, maybe you could respond—

Secretary WEST. The other factor; in fact, it is our belief—and I would be happy to share our numbers with you; you probably have access to them. We believe that not only will we have economies of operation over time, but that also we will get benefits from the synergy of combining our helicopter activities and testing activities at the two locations which we will end up with at Fort McClellan, which is already the site of sizable helicopter activity, that plus the activities that are already there.

I am sorry; Fort Rucker, not McClellan. I am giving credit to the wrong location. I will make headlines.

The alternative of leaving it at three locations was not one that would have been satisfactory to us. The possibility you raise is that we could have consolidated at Edwards rather than Fort Rucker.

Mr. McKEON. Edwards, China Lake, which is a much closer facility. Maybe you could get us more information on that.

Secretary WEST. But the analyses are always the same. You are looking at the immediate cost, whatever initial investment you have to make. To move if move you have to; it is almost like a BRAC decision. You look at the savings you may have over time by virtue of the combined operations and the synergies that you will get from having them combined in one location.

Mr. McKEON. That is what I would like to see, your numbers that were the rationale for that decision.

[The information referred to was submitted for the record:]

MOVEMENT OF U.S. ARMY AVIATION TECHNICAL TEST CENTER (ATTC) FROM
EDWARDS AIR FORCE BASE, CA TO FORT RUCKER, AL

In June 1995, the Army concluded that the Airworthiness Qualification Test Directorate (AQTD) of ATTC, at Edwards Air Force Base (EAFB) California should move to Fort Rucker, Alabama. Rationale for this action was budget reductions which would not allow the continuance of sustaining overhead losses required to op-

erate three separate test facilities (Fort Rucker, EAFB, and Yuma Proving Ground, Arizona). The one-time cost of moving the AQTD to Fort Rucker is \$3.2 million. The savings over the Program Objective Memorandum years (98-03) are \$10.5 million, which the Army has reapplied toward modernization. There is no new construction required by moving the directorate to Fort Rucker.

Mr. McKEON. Secretary Widnall, in talking about the F-22 and the replacements of the F-15 and F-16's, you talked about the aim of those planes. I would like to talk about the B-52's. Could you maybe tell me how many B-52's we have now in operation, B-52's, B-1's, and B-2's?

Secretary WIDNALL. This is like a pop quiz. I would like to supply the specific numbers for the record.

Mr. McKEON. That would be fine.

Secretary WIDNALL. We have a program, we use the B-52 to support the nuclear posture review and are tailoring the B-1 for conventional operations. I think roughly speaking, we have 95 B-1's, and clearly we are headed to a number like 56 B-52's to support the nuclear posture review, with some attrition reserve to provide for depot maintenance and other issues. That is roughly the size of the force. And of course, we are headed to 20 B-2's. We will supply the actual numbers for the record.

The B-52 is very old. I worked on that when I was a freshman in college, so I know it is an old airplane. Based on airframe life, we will have it in the inventory up through 2010, 2020.

Mr. McKEON. I wouldn't argue, if you want to say 2030. At some point, we probably agree that they will no longer be flying.

Secretary WIDNALL. Yes.

Mr. McKEON. At some point, probably the B-1's will no longer be flying, and then we are down to 20 B-2's. I guess I have empathy for keeping two submarine lines to keep our industrial base. I have real concerns about closing down the industrial base for the B-2. That happens to be built in my district.

I have visited the site. I have been there many times. And I see the technology and what we are losing is we are closing that production line down, and what it would cost to fire it up again if we ever needed it. I guess I am a supporter of building those on a slower capacity at a slower rate instead of how we have built planes in the past where we have tried to condense it and they all come on-line at the same time and go off-line at about the same time. We are not going to resolve that issue here today.

Does that red light mean my time is up?

Secretary WIDNALL. Could I respond?

I speak here as an aeronautical engineer, which is my profession. I think it is the case that there is no bomber industrial base; that the bomber industrial base is part of the aerospace industrial space base, part the transport industrial and the fighter industrial base and the bomber industrial base.

Clearly, the B-2 is a very important technology development. The stealth technology is in fact making its way into all Air Force combat aircraft of the future. So, in fact, we are not shutting down the stealth technology base; we are using that for F-22 and JAST.

Mr. McKEON. But the tooling—

Secretary WIDNALL. Specifically to build that particular airframe, I agree, but not just for the general question of industrial base or technology.

Mr. STUMP [presiding]. The gentleman from Hawaii, Mr. Abercrombie.

Mr. ABERCROMBIE. Thank you, Mr. Chairman, and thanks to all the Secretaries for your patience.

A couple of issues don't need to be resolved here today. I am going to bring them to your attention hoping that you can look at them and perhaps we can get back on it, up to and including dealing with Mr. Hefley's committee in a productive—it has to do with housing.

I have been through the testimony, and ask, Secretary Dalton, if you and Secretary West could perhaps consult with one another and take as a proposition that the budget as presented, the capital budget, the military construction budget, the official one put out by the Department, indicates that just on the whole barracks renewal aspects the Navy—my figures are just—\$145 million for the Navy and about \$40 million for the Marine Corps. I realize that the numbers don't necessarily reflect any less of a priority for the Marine Corps, that it has to do with different ages of buildings and facilities, et cetera.

Secretary DALTON. And the Navy is considerably larger, 400,000-plus sailors versus 174,000 Marines.

Mr. ABERCROMBIE. My point being that if you could take a look internally there to see whether or not the numbers utilized have to all come in this year. I am thinking particularly of the Marine barracks at Kaneohe.

I realize the sub base at Pearl Harbor needs not just refurbishing, but renewal. There is zero at this point for the barracks at Kaneohe for the Marines and there is movement from Barbers Point over to Kaneohe. We have \$6 out of every \$7 on the Navy side, nothing on the other. I am asking for consideration of possible reallocation of the numbers so we can get some of this under way.

I don't have it in detail, and don't know, so I am presuming good faith all around. Having seen these barracks situations, I hope that as the budget evolves through the process here—as you know, it is carried on in a bipartisan way on this committee—that we could take it into account and see if something can be done.

Secretary DALTON. If I could respond.

I can tell you that housing has been a major priority of mine as one of the quality-of-life issues. In your State on my first trip to the Pacific, in Hawaii when I visit Marines, the first lady of the Navy goes to see housing, hospitals, and so forth. I came in one day and said how was your day, and she started telling me about the housing that she saw in Hawaii, and literally with tears in her eyes talking about how bad it was.

We have bulldozed those houses down and had a ground breaking 9 months ago, we will have the ribbon cutting at Easter. We are emphasizing BEQ's and BOQ's for single sailors and marines. We are going to have to do pilot projects with limited partnerships, and also the new housing corporation that the Secretary of Defense is interested in.

Mr. ABERCROMBIE. I am pleased to say that I think I was able to be useful and helpful in that process. That is one of the things about going into the community. I have emphasized getting housing on the base for both married couples and single mothers, and

single parents, and then I did not want to see in that process—we have had such an emphasis on that, I didn't want to see the single sailor/soldier to get ignored in the process.

Secretary West, your testimony indicates we still have one-quarter to one-third of the members of the armed services who are still single. That is where the barracks renewal comes in for Navy, Marine, and Army. In that regard, Secretary West, as you know, we started the whole Barracks Renewal Program at Scofield. Whereas you indicate in your testimony, many of the buildings are between 30 and 40 years old, as you know, at Scofield, they are 70-plus years old, and we are working on that. General Meyer and others are doing an outstanding job.

I notice in the construction budget there is zero in 1997 for the whole barracks renewal which is under way. That may be a function of the contracting period, I don't know. I am just looking into it, and if it is fine.

But I don't want to—I hope we won't get started with some of the other whole barracks, all of which—I have looked through them; I am sure they are all a worthy project. But given the emphasis in the Pacific right now, I do think that we don't want to fall behind. I am not trying to cram projects in.

This is a 15-to-20-year project; long after I am gone from here, this project will be going on. I will be happy that I helped get it started. But could we take a look at that, because I believe there is at least a minimum of \$10 million, and that really goes to all of the Secretaries here. I hope you will be amenable to the idea that when we go into the installations and the housing that we use the budget as a starting point and that you will accept our good faith. We don't look at these things as pork barrel projects.

It is common in the community out there, some of these committees, self-styled committees of Government waste and so on, to take quality-of-life issues and say that they are pork-barrel projects, and they are not. So I hope that all of the Secretaries will be open to the idea of discussing whether or not we can move some of the projects around so that everybody gets something going and coming.

Particularly where barracks are concerned, that is not a project you can finish in a year. That is at least, I would say, a decade-and-a-half proposition if we are going to adequately deal with it.

Secretary WEST. Your points are well made, Mr. Abercrombie. As you know, we have put a lot of attention to old barracks renewal. We are continuing to do it in this budget.

No, we don't think that pushing for barracks in a particular location is pork, because wherever those barracks are, they are still our soldiers.

Mr. ABERCROMBIE. Right. And as people switch around, I want to emphasize to you, I am not just pushing for one area; I am interested in the whole thing.

Mr. Chairman, if you would just indulge me one moment—this is again by way of observation to you; you need not comment on it today, but General Shalikashvili and Secretary Perry indicated an interest in this one when I brought it up, and Mr. Dornan has indicated that he is willing to have hearings along these lines, or

incorporated into his hearings. That has to do with the 3-percent raise that was emphasized in all of our testimony.

I won't go on at any length; I will bring it up in the hearings. But that goes as low as \$314 a year at the E-1 level, at the O-7 level; with 24 years of experience, it goes as high as \$2,500. I would like you to consider, if you would, instead of a percentage increase based on current rates of pay, which I have here, the 1996 pay chart, in setting aside for a moment basic allowance for quarters and basic allowance for subsistence, consider making, at least for part of the time, a cash increase, rather than a percentage increase.

I have urged this—this is not just for the armed services, but all public employees. That would increase the percentage at the lower levels. It would decrease the percentage, obviously, at the higher levels, but it would be equal for everybody across the board.

I am going to pick \$1,000 out of the air. My understanding is that there is a pool of money that will be utilized to sustain the 3-percent raise. That comes down to a dollar figure is what I am driving at. So all I am proposing is that before we lock into 3 percent right now, at current pay rates, that we, at least, consider the idea of an across-the-board cash increase, or even perhaps a progressive cash increase, as opposed to percentage, to bring up the lower ranks and the—both for enlisted and officer categories as a way of increasing morale and increasing spending power.

Mr. Chairman, my last point being—the reason I bring up the cash is that my understanding is that the gap in spending power exists in the armed services the same way it exists in the private sector with respect to the last decade or so, that is, those who are at the higher pay levels have a greater—not just greater spending power in absolute dollar terms, but the percentage of after-tax money available to them has increased at the upper levels as opposed to those at the lower levels, including the lower officer rank levels; and that a cash increase as opposed to a percentage increase based on present pay levels might help to offset some of that inequity that was developed in spending power over the last decade-and-a-half or so. I hope you will take it into consideration.

Secretary DALTON. Mr. Abercrombie, I can tell you, I know of two people who would support that, my son—my two sons; those are two votes for your proposal.

Mr. ABERCROMBIE. This doesn't consist then of an utterly shameless appeal to the mass of those in the voting ranks.

The CHAIRMAN. The gentleman just set a new definition for a brief statement.

Mr. Hunter.

Mr. HUNTER. Thank you, Mr. Chairman, and thank you to our witnesses for being with us. And to the first lady of the Navy, Mrs. Dalton, you can now attest to everyone that your husband indeed works very hard for a living. This is combat duty.

Mr. Secretary, we rescheduled the F-14 hearings that I had set with the Procurement Subcommittee, primarily on the basis that we needed to recover the wreckage of the third F-14. Has that recovery effort been undertaken at this point?

Secretary DALTON. We have located, and whether we have actually begun a retrieval, Mr. Hunter, I can't respond. I don't know the answer to that, but I will find out and get back to you.

[The information referred to was submitted for the record:]

Recovery of the third aircraft (Persian Gulf) is not as vital as recovery of the second aircraft (the F-14D in the SoCal area). Major portions of the F-14D have been recovered and the engines are now at Tinker Air Force Base undergoing full engineering investigation. Other portions of the aircraft will likewise be investigated in San Diego. The third mishap aircraft has been located and salvage operations will begin shortly.

Secretary DALTON. But we appreciate, I think you did the right thing, by postponing the hearing until we do have the information so we can give you a better response to what we have found and be able to tell you something that will be of use to the committee.

Mr. HUNTER. OK. If you could let us know what the status is of the retrieval operation, that is important to us.

Secretary DALTON. I will.

Mr. HUNTER. You have asked roughly, between the Air Force and the Navy, for 20 aircraft, 12 F/A-18's, and four F-15's and F-16's. You might ask, or maybe some of your staff members could work on this question, as to what our loss has been in terms of lost aircraft by crashes or retired aircraft over the last year, because it appears to me that we are not replacing planes as fast as they attrit out of the system.

I have a number of questions. Let me run over them quickly, and the ones that you can answer, if you could note these down, and I will make the list available to you. The ones you can answer here, that would be good; but if you want me to take the rest for the record, that is fine.

Nearly \$2 billion has been removed from the fiscal year 1996 budget due to these revised economic assumptions. So to all services, how have the service budgets been affected? Were any programs cut as a result of that? Will any contracts have to be renegotiated?

The Department has also proposed to rescind \$1 billion of fiscal year 1996 appropriations. Included in this is the Kiowa Warrior, the Navy's standoff land attack missile, and the Air Force's AGM-130 and AGM-142 missiles. In light of the fact that we don't have additional funding for Comanche and that you said in your statements that we need precision-guided munitions, why are these programs, the Kiowa Warrior and those precision-guided munition programs, proposed for rescission?

For the Army, Secretary West, could you give us the rationale for cancelling the armored gun system? Was it to protect funding for force structure? And how will direct fire support to early deploying light forces be provided when tanks aren't available?

Also for the Army, how much of the \$26 billion in procurement decrement from fiscal year 1997 to fiscal year 2001 is coming from the Army, of that big cut that we made?

Finally, does the Army intend to comply with the 1996 DOD direction to implement a multiyear procurement of small arms?

For the Navy, Secretary Dalton, you have been grilled on the submarines. Suffice it to say that this was an arrangement that was entered into at the conference level with your attendance; the

CNO speaker involved himself a lot. We put a lot of work into this thing, and the spirit of the agreement in terms of letting the yards innovate to produce a better sub is as important as the substance; and I—for the record, you might tell us—one thing that I was disappointed in was the fact that you didn't have the 1999 submarine in and yet you had a new LPD-17 in the budget.

Let me go down my list here before you respond to that.

Also, does the Department intend to maintain the naval reactor billet at the four-star level when the incumbent officer retires at the end of October? Why have—

Mr. DELLUMS. Will the gentleman yield? I don't think any of them can write that fast.

Mr. HUNTER. Here is what I am doing, if the gentleman—I will just respond to the gentleman. When we come to a question that you have got a response for and want to make here on the record, take that; and I am going to give you the list of questions when we finish, but you may—I am giving you the opportunity to pick and choose which of these you think necessitates a response now.

I thank the gentleman for his observation.

So we had a \$26-billion procurement decrement from 1999 to 2001, and how much of that is coming out of the Navy for you, Secretary Dalton?

The EA-6B, we still don't have a direction, Secretary Dalton, for a plan for modernizing the EA-6B, if you could comment on that.

Also, the F-14, are there any F-14 upgrades proposed in your budget? That is an important item for us.

For the Air Force, how much of the \$26 billion procurement decrement from 1997 to 2001 is coming out of your budget?

Finally, what is a long-term procurement plan for C-130J? At one aircraft a year, as required under fiscal year 1997, it is going to be a long time before you modernize your tactical air fleet.

And what is the impact of the F-22 program, because there is some commonality of production facilities there if there aren't—if there are no C-130J's procured for Guard and Reserves.

So that is a long laundry list. Thanks for your indulgence, and I will give you the written questions. But if you could comment on one or two of those, the ones that you think are appropriate.

The CHAIRMAN. The gentleman did say you could answer these in writing, so the ball is in your court as to when we get out of here.

Secretary DALTON. I will answer mine for the record. I have several here, but in lieu of time, I think we will opt to answer for the record, Mr. Hunter.

Secretary WIDNALL. I would prefer to answer for the record.

Secretary WEST. One word about the HES gun system. It was part of a process of review by both our professional uniformed—at headquarters—and our procurement people, our position people, to take a look at programs and see where we could use those that weren't going to make the kind of imperative contribution that we could take care of with something else, terminate the program, yes, and put that money into other more rewarding procurement opportunities.

So, first and foremost, except for a very small portion of the AGS money, it is all going back into modernization accounts. I think that answers at least one of the thrusts of your questions.

The other part is, yes, my professionals in uniform, your professionals in uniform are satisfied that they can do—provide the necessary firepower. One of the programs that has been referred to here, the C-17, is part of the answer. I grant you, the C-17 doesn't shoot at anybody, but with its capacity to put essentially what I will call C-5 cargoes on C-130 landing strips, we can get the firepower we need into some places where we once thought we wouldn't be able to.

Mr. HUNTER. OK.

The CHAIRMAN. Secretary Widnall, did you say you wanted to answer?

Secretary WIDNALL. No. I prefer to answer for the record, although just to say, when asked about, you know, what some of our priorities were that were not funded, I would say the C-130J is in that category of things that we believe are extremely valuable; and we would like to get on with recapitalizing that aircraft.

The CHAIRMAN. Finally, the Chair recognizes the ranking member.

Mr. DELLUMS. Thank you very much, Mr. Chairman.

First, let me make this observation: At one point in these proceedings it was very possible that the whole thing could have deteriorated, and I am appreciative of the fact that it did not. I recognize the fact that all of us in this room are laboring under extraordinary stress, stress brought on by the gravity of the issues that we have to deal with, brought on by the reality of the life-and-death implications of the actions that we take, and finally, the magnitude of the billions of dollars that we have to deal with as we address our fiduciary responsibilities on behalf of millions of people. So I am very pleased about that.

I just think that whether we agree or disagree from a partisan perspective, or ideologically, I think that the highest and the best is required in us, and I think that it is terribly important for us to stay on the high ground and address these issues, given their significance and their import.

Having said that, I want to come back to the point that I tried to make in my opening remarks, when I observed near the end of the proceedings when we met with Secretary Perry and General Shalikashvili, that as the hearings evolved, there were clearly four issues that, as I see it, will be contentious as we move forward in the markup.

One of them is privatization, and that has been addressed, it seems to me, as I observed that clearly the response there is that privatization may make sense in one situation, it may not make sense in another situation. The important cornerstone here is that the issues be addressed on their merit, rise above politics; and that is all I would say with respect to that.

The second significant issue that will be quite controversial and contentious obviously will be the ballistic missile defense program. In that regard, I would like to ask you as the Secretaries, are you comfortable with the priorities established in the overall ballistic missile defense program that establishes theater missile defense as

the priority—given the close proximity of the threat as you perceive it and the need to deploy theater defenses out there—given that, that perceived threat, may we just have your comment on that, and then I would like to make a few other comments.

Secretary WIDNALL. Well, let me begin. Yes, I am very comfortable. I believe the Department has laid out a very responsible program.

It takes a reflection of the threat and also a reflection of the level of technologies in being able to accomplish these various missions. So I feel it is a challenging technical area, and I feel that we are on the right track towards achieving the goals in both the theater area and the national area.

Mr. DELLUMS. Thank you.

Secretary DALTON. We did have a very useful dialogue within the Department, and I agree with Dr. Widnall's conclusion, that whereas it was a deliberative process and in all ways all decisions were unanimous, it was clear that I think Dr. Kaminski and his staff came to the appropriate resolution.

Mr. DELLUMS. Thank you.

Secretary WEST. The Army and I are strongly supportive.

Mr. DELLUMS. Thank you. The third contentious issue that emerged in the context of the Secretary's posture statement has been alluded to in different ways today, the so-called shortfall in the acquisition account modernization program. In that regard, I might observe, Mr. Chairman and members of the committee, that it was very interesting—and this is important for those of you who have defined the shortfall—that when asked in a very direct manner by the gentleman from Virginia, Mr. Pickett, of all of the service Secretaries, because I don't think you have to be a genius or a spiritualist to know that given the construct, the makeup of this committee, there is going to be a plus-up.

When asked by Mr. Pickett if that plus-up occurred, what would be your priorities? I found it fascinating that on no one's list did B-2 bomber emerge, and on no one's list did increasing national missile defense occur.

So I think that the interesting challenge for members of this committee is if indeed you found a shortfall in the acquisition account, in the modernization program, what is the rationale for moving beyond the priorities that they played out as the so-called experts in this area as opposed to us placing big-ticket items that throw their entire acquisition accounts into gross disarray?

Final observation and question: The final contentious issue is the issue of the topline, and many of my colleagues have suggested that we are not spending enough money on defense, taking too much money out of DOD, we don't have adequate resources, we are in danger of slipping back—whatever the rhetoric, but it is there.

My question to you is, since we don't today have line-item details, but simply the broad outlines of the overall budget, broad outlines of the budgets that each of you have presented, are you comfortable that within the context of the FYDP, that you can say to this committee that it is your judgment, or not your judgment, that given those dollars, based upon the FYDP that has been projected, that you can adequately address the national security needs of this country?

And then my final, final question is, do you feel from your perspective, are you adequately structured to meet the needs of the post-cold war? And in that regard, I have very specific allusion to activities other than war.

And that would be my final question, Mr. Chairman.

Secretary WEST. Mr. Dellums, for the Army, I can say, yes, to the question as to whether this budget, this topline allows the Army to meet those needs. Indeed, I can say more, that that topline is important to us as we try to get a stable and predictable program.

Moreover, I will add this: I am comfortable on behalf of the Army that this budget and this topline lays the groundwork for us to continue in future budgets over the next years to meet those needs. I see both the ability to do what we need to do this year and in the coming years.

Secretary DALTON. Mr. Dellums, I would also answer in the affirmative and say that I do feel comfortable with the FYDP.

Also having heard what you said about the reality is that there will be a plus-up, I would encourage this committee to look at what we have in our FYDP, in our budget, things that we need and bring them forward, whether it be submarine—which is the first thing I mentioned, the submarine program—the AAV and so forth, things that we know that we are going to need and want to have as opposed to pet projects that somebody else might want or might like for us to have.

We have spent a great deal of time and effort and energy in coming up with this FYDP program, and we think that is what should be funded as a priority.

Secretary WIDNALL. With respect to the Air Force, I would say that this budget funds our highest priorities. I believe we can support the national military strategy and we can keep our important modernization programs on track. We will need your help to achieve the kinds of efficiencies that we must achieve over the future, such as C-17 multiyear. We have already counted in this budget on \$1 billion savings as a result of that kind of streamlining acquisition reform, and we need your help to get those savings. Otherwise, our budget would be in a more serious problem.

I believe that—I think we are an important part of the national debate in this country about how this society is going to allocate its resources. We look forward to that debate.

I also believe that today's military—and I believe the President has stated this on more than one occasion—has played an incredibly important role in the post-cold war world, not just in preparing to carry out the national military strategy, but in the daily activities that we are involved in—the peacekeeping, the military-to-military contacts, the international program of the Department.

So, again, I welcome this debate, and I look to your support to help us achieve the kinds of efficiencies that we need in order to keep our modernization program on track.

Mr. DELLUMS. Thank you.

The two Secretaries, Secretary Dalton and Secretary West, did not address the second question, which was, from your perspective, are you properly structured to address the challenges of the post-cold war; and there I was focusing, as Secretary Widnall zeroed in on, on activities other than war.

Secretary WEST. I think we are, and I think we have reflected those in both of our budgets and in our plans.

I might also add, if I may, a word of support for the last point that Secretary Widnall made in support of efficiencies. I might almost say that more than additional money, if we can get sufficient flexibility from the Congress with respect to the 64-year-old—with respect to the \$3 million contract threshold, the Davis-Bacon Act and a whole host of things that limit our ability to operate our services less expensively than we operate them now, that could do as much for us as plus-ups.

Mr. DELLUMS. Thank you.

Secretary DALTON. I concur with Dr. West concerning—Secretary West with respect to the operation of, and as I mentioned in response to one of the questions, things like acquisition reform, those kinds of things, we certainly would like to have the support of the Congress on.

Mr. DELLUMS. Mr. Chairman, I would like to thank the Secretaries for their responses to my questions, and thank you for your generosity.

Mr. CUNNINGHAM. Mr. Chairman, I have a unanimous consent request.

The CHAIRMAN. Does the gentleman have another question, Mr. Cunningham?

Mr. CUNNINGHAM. No, not a question, but I would like to insert into the record this article and the classified document from Secretary Shalikashvili, which is in contrast to the Secretary's statements.

The CHAIRMAN. Without objection.

Mr. HUNTER. Mr. Chairman.

The CHAIRMAN. Mr. Hunter.

Mr. HUNTER. Thank you, Mr. Chairman. Mr. Chairman, since the witnesses took most of my questions for the record and since Mr. Dellums' statement or questions were—I think went right to the heart of our bigger questions on how much we spend for defense this year, I would like to just ask one question, and that is that in light of General Shalikashvili's statement in his readiness assessment or his program assessment, and I quote,

I believe we risk future combat readiness of the U.S. military if we fail to adequately fund recapitalization starting in fiscal year 1997, and I urge you to set a procurement goal of almost \$60 billion per year, beginning in fiscal year 1998.

We haven't done that in the budget that you have given us. Do you disagree with the Chairman of the Joint Chiefs in that statement? I don't think we can have it both ways. I don't think we can have him saying we risk combat readiness and you say, look, I think we have everything that we need.

Secretary WEST. I think I will let what the Chairman of the Joint Chiefs has said in the document that you referred to stand, which I have not seen, and what he said when he appeared before you, in which he endorsed this budget, in which he endorsed the plan, and in which he gave you his statement that we could do the job for our country on this basis.

That is the statement I endorse.

Mr. HUNTER. Well, I am asking for your personal assessment, not just your endorsement.

Secretary WEST. Well, they are the same.

Secretary WIDNALL. Let me just say that there is no question that this year is the year to talk about modernization, and to keep these programs on track and to do it in a way using best business practices and acquisition reform and other efficiencies to really push this program forward. We are all concerned about it; it is probably a top priority item in the Department this year, no question about it. We are looking forward to working with you toward getting the best value for the taxpayer in this extremely important area.

Secretary DALTON. Mr. Hunter, in the Navy program, we are on an up-ramp starting from fiscal year 1996 to 1997. Granted, with the change in the program with respect to the Congress, it is not an up-ramp now, but we clearly were on an up-ramp with respect to our recapitalization. As I mentioned earlier in my answer to questions, we do have a bow wave problem.

We are fine through this FYDP, and I fully support where we are in this budget. In the outyears we do have a bow wave of shipbuilding that we are going to have to address.

Mr. DELLUMS. Mr. Chairman, just one thing. I might say to the gentleman from California and you, Mr. Chairman, that with respect to the unanimous consent, on—on sober reflection, this article alludes to a document that is a classified document. It raises some interesting, if not provocative questions about whether we ought to be alluding to that in the record at this point, when we are not quite sure whether this is a classified document or an unclassified document, and so I would just raise that with you. I think it is important, whatever our politics, that on a procedural basis we ought to be trying to deal with the integrity of that responsibility.

Mr. CUNNINGHAM. Will the gentleman yield?

Mr. DELLUMS. Yes, sir. The chairman can rule on it, whatever.

Mr. CUNNINGHAM. I don't have any problem with your statement, other than it is on a statement by General Shalikashvili; it is his feeling that if we don't increase those procurement accounts, we are going to have shortfalls.

Mr. DELLUMS. You are talking about a secret document that was leaked, so we don't know that. I don't believe everything I read in the press.

The CHAIRMAN. I believe that if it was a classified document, it would appear in the proper place, but not in the open record.

Any other questions?

Secretary West, Secretary Dalton, Secretary Widnall, we thank you. We thank you especially for staying so that we would not have to come back.

One question. Those questions that were submitted to you, we would appreciate as rapid a response as possible.

Secretary DALTON. Thank you.

Secretary WIDNALL. Thank you very much.

Secretary WEST. Thank you, Mr. Chairman.

Secretary DALTON. Thank you.

[Whereupon, at 1:30 p.m., the committee was adjourned.]

[The following questions and answers were submitted for the record:]

QUESTIONS SUBMITTED FOR THE RECORD

JOINT SURVEILLANCE TARGET ATTACK RADAR SYSTEMS [JSTARS]

Mr. STUMP. We know that at General Joulwan's request Secretary Perry deployed Joint Surveillance Target Attack Radar System (JSTARS) to Bosnia in support of the Dayton Peace Accords. According to the open press, it has been performing quite well. Can you tell us how Joint STARS is preforming from your perspective?

Secretary WEST. JSTARS is a highly effective system in support of Operation Joint Endeavor. Both the Army and Air Force service members on the JSTARS team have accomplished their mission well. Both the air and ground segment of the JSTARS system make a powerful team providing real time intelligence directly to the commander on the ground. JSTARS has been an invaluable tool in covering remote and dangerous areas both day and night. Missions have included monitoring convoys, rail lines, refueling points, weapons collection points, known artillery/mortar sites, ferry crossings and even helicopter movement. It is important to note that some of the most successful missions were ones that showed no activity. Lack of movement in an area is critical intelligence as well.

COMMON GROUND STATION [CGS]

Mr. STUMP. We understand that the Army has recently awarded the contract for the Common Ground Station Module. What additional capabilities will this provide the tactical commander and will this include additional sensors such as the Predator Unmanned Aerial Vehicle (UAV), Advanced Synthetic Aperture Radar System—Two (ASARS II), and Airborne Reconnaissance-Low (ARL)?

Secretary WEST. We have, in fact, awarded a competitive contract for the Common Ground Station (CGS) to an industry team lead by Motorola which will greatly enhance the capabilities of the JSTARS CGS. The CGS design incorporates the latest in commercial technology and employs an open system architecture that will ensure rapid insertion of technology into the system. The CGS design will allow additional sensor products to be received and correlated with current products. Motorola, as part of the government/industry team, has demonstrated links to the Predator UAV and is also working with Hughes on the ASARS IIE and California Microwave, the ARL contractor, to have a direct downlink into the CGS. We expect to add these capabilities to the units in support of Operation Joint Endeavor, if required.

Mr. STUMP. Last year, Department of Defense provided a demonstration of the JSTARS capability to North Atlantic Treaty Organization (NATO) officials aboard the USS Mount Whitney. How did this effort go and what are we doing to promote the JSTARS as the candidate for the Alliance Ground Surveillance (AGS) mission?

Secretary WEST. Last October, at the USS Mount Whitney demonstration, we demonstrated the ability to downlink JSTARS data from the E-8 aircraft to the deployed Rapid Reaction Force Command element aboard the USS Mount Whitney. The demonstration went extremely well. Since that time, we have deployed a prototype CGS to the Supreme Headquarters Allied Powers Europe (SHAPE), Technical Center at the Hague. This system is assisting NATO in identifying and developing the various technical interface requirements between JSTARS and the NATO command and control system.

REVISED ECONOMIC ASSUMPTIONS

Mr. HUNTER. Nearly \$2 billion has been removed from the FY 96 budget due to revised economic assumptions. How have the service budgets been affected by this adjustment? Were any programs cut by more than a pro-rata share of the adjustment? If so, which programs and how much were they cut?

Secretary WEST. There should be no programmatic impacts associated with the reductions for revised economic assumptions. No program was cut by more than its pro-rata share, however, DoD directed the exclusion of the National Foreign Intelligence Program/General Defense Intelligence Program. In the Research, Development, Test and Evaluation, Army Appropriation, the Army also exempted the Digitization Program. The exclusion of these two programs increased the pro-rata share for all other programs by only a small amount.

PROPOSED RESCISSION OF FISCAL YEAR 1996 APPROPRIATIONS

Mr. HUNTER. The Department has proposed to rescind \$1 billion of fiscal year (FY) 96 appropriations for reasons which have not been publicly stated. These rescissions are in addition to those proposed for Bosnia and Jordan and included in them are funding for the Army's Kiowa Warrior, the Navy's Standoff Land Attack

missile, and the Air Force's AGM-130 and AGM-142 missiles. In view of the fact that the Army has not added any additional funding to its FY 97 Comanche development program and the Department professes to be in need of precision guided munitions, why are these programs proposed?

Secretary WEST. The Office of the Secretary of Defense (OSD) directed the \$1 billion rescission by the Army in a Program Budget Decision. The Kiowa Warrior helicopter and a number of other Army Research, Development and Acquisition appropriation items were identified. The Army share is about \$202.6 million.

The RAH-66 Comanche is the Army's number one long-term modernization program and is executable at the current FY 97 funding level. We are resourced to provide Early Operational Capability (EOC) aircraft beginning in FY 01 and to ensure Initial Operational Capability (IOC) by FY 06.

ARMORED GUN SYSTEM

Mr. HUNTER. Please provide the committee with the Army's rationale for canceling the Armored Gun System (AGS). Was it to protect funding for force structure? How will direct fire support to early deploying light forces be provided when tanks are not available?

Secretary WEST. The Army decided to terminate AGS because of a combination of operational, budgetary and modernization priority considerations. The AGS is a low density (only 237 systems) program that requires approximately \$1.5 billion to complete development, procure and field two units (3-73 Armor Battalion, 82d Airborne Division and the 2d Armored Cavalry Regiment (ACR)(L)). One of the internal solutions for recapitalization was to terminate a major program and reinvest into more critical modernization needs. It is important to understand that we only took the action we did because we have alternative means of accomplishing the same mission for which the AGS was designed. The direct fire support can be met by our currently fielded forces (equipped with Abrams tanks and Bradley Fighting Vehicles), as well as by accelerating Javelin into early deploying forces. Additionally, the recent decision to procure 120 C-17 aircraft increases the capability to put armored forces into an airhead more rapidly.

ARMY'S SHARE OF \$26 BILLION PROCUREMENT DECREMENT

Mr. HUNTER. How much of the \$26 billion procurement decrement from FY 97-FY 01 is coming from the Army?

Secretary WEST. The Army's share of the \$26 billion procurement decrement was \$2.014 billion, which was available due to revised economic assumptions.

However, by FY 2001 total DoD funding to procure modernized equipment will increase to \$60.1 billion—in real terms about 40 percent higher than the \$38.9 billion requested for FY 1997. The Army received an additional \$5.9 billion from FY 1997 to FY 2001, which were a result of the more optimistic economic assumptions described above. Army modernization funds increase from \$10.6 billion in FY 1997 to \$14.8 billion in FY 2001.

MULTIYEAR PROCUREMENT OF SMALL ARMS

Mr. HUNTER. Does the Army intend to comply with the fiscal year (FY96) 1996 Department of Defense Authorization Act's direction to implement multiyear procurement of small arms?

Secretary WEST. The Army has included a modest funding stream in its FY97 budget request to support multiyear procurements for small arms weapons. At present, we intend to pursue multiyear awards for the MK19-3 Grenade Machine Gun, M249 Squad Automatic Weapon, and M16A2 Rifle.

Mr. HUNTER. Nearly \$2B has been removed from the FY 96 budget due to revised economic assumptions. How have the service budgets been affected by this adjustment? Were any programs cut by more than a pro-rata share of the adjustment? If so, which programs and how much were they cut?

Secretary DALTON. Initial distributions were all based on pro-rata. Some, such as the initial reductions included in appropriations were directed by Congress to be done pro-rata, and we are following such guidance. However, because programs are in execution, we may have to deviate on a case by case basis. If so, we will notify the Defense Oversight Committees of an alternative program reductions that are necessary.

Mr. HUNTER. The Department has proposed to rescind \$1 billion of FY 96 appropriations for reasons which have not been publicly stated. These rescissions are in addition to those proposed for Bosnia and Jordan and included in them are funding for the Army's Kiowa Warrior, the Navy's Standoff Land Attack Missile, and the Air

Force's AGM-133 and AGM-142 missiles. In view of the fact that the Army has not added any additional funding to its FY 97 Comanche development program and the Department professes to be in need of precision guided munitions, why are these programs proposed?

Secretary DALTON. The funding proposed for rescission from the Navy's Standoff Land Attack Missile program (\$40 million) was added by Congress to procure an additional 45 SLAM missiles in FY 1996. The Department of the Navy had budgeted for a procurement of 30 SLAM missiles in FY 1996, the last year in which SLAM all up-round procurement had been funded. In view of the fact that the first LRIP for the SLAM-ER program is scheduled for FY 1997, and in light of the large bills which needed to be paid by the Department, offering up the SLAM funding would have a lesser impact when compared to other Departmental priorities. This tentative position is reflected in the FY 1997 President's Budget backup material; however, the final list has not yet been determined.

Mr. HUNTER. I was deeply disappointed—but not suprised—with the Navy's not having come anywhere near complying with the attack submarine legislation contained in the FY96 DOD Authorization Act. However, in response to a question from Mr. Bateman in the committee's hearing with Secretary Perry, the Secretary assured us that—and I quote—"We'll do whatever we have to do to comply with congressional guidance on this issue." Why then did the Navy refuse to include a submarine in it FY99 program while at the same time adding an LPD-17 that was not heretofore budgeted? Similarly, why did the Navy refuse to include a submarine in its FY01 program, even though the resources that were formerly required for the LHD-7 in that year are available to do this, since the LHD-7 is funded in the current fiscal year?

Secretary DALTON. Navy is preparing a plan to address how, if funded, it would execute the four ship plan described in the Authorization Act. The plan will be submitted to Congress in March 1996.

The LPD-17 program was originally planned for a FY96 lead ship to replace aging LST, LKA, and LPD amphibious ships. Higher budgeting priorities shifted the lead ship to FY98. Under a FY98 lead ship profile, there was no planned procurement in FY99. With Congressional acceleration of lead ship to FY96, the program supported construction in FY99. FY01 LHD-7 resources were applied against other DoD priority issues.

Mr. HUNTER. The FY 1996 DOD Authorization Act requires a transfer of \$50 million in the National Defense Sealift Fund to the Defense Advanced Research Projects Agency. These funds, which are excess to the budget request, are to be used for the specific purpose of developing advanced submarine technologies. The only budget document you have provided to the committee thus far does not indicate this transfer has been made. Will you assure the committee this transfer will be made in accordance with legislation?

Secretary DALTON. The Department received conflicting direction for the use of \$50 million above the budget, authorized and appropriated to the National Defense Sealift Fund. Moreover, the Authorization Act did not provide for the transfer of these additional funds. We have deferred spending these funds pending further study of the issue.

Mr. HUNTER. Does the Department intend to maintain the Naval Reactor billet at the four-star level when the incumbent officer retires at the end of October? Why? Is there a continuing necessity to maintain an eight year term of office for this position? Why?

Secretary DALTON. The Department intends to maintain the position of Director, Naval Nuclear Propulsion as a four-star billet with an eight year term. The mobility, endurance, and tactical advantage provided by nuclear propulsion in warships are becoming increasingly vital as Navy is called upon to do more with less. Of equal importance is maintaining the high standards and excellent safety record so necessary to ensure continued acceptance of U.S. nuclear powered ships in over 150 ports throughout the world. The director, Naval Nuclear Propulsion, is personally reasonable for the safety, design, construction, operation, operator-training, maintenance, and disposal of more nuclear reactors than the Nuclear Regulatory Commission regulates. The seniority and tenure of the Director enable the objectivity and independence needed for engineering and safety decisions. With the existing arrangements, the Naval Nuclear Propulsion Program has proven to be a successful, efficient undertaking, providing safe and reliable nuclear propulsion for warships and the trained personnel to operate them. These arrangements should remain as-is. More specifically:

Over 40% of our warships are nuclear powered. Two-thirds of our aircraft carriers are nuclear, and carriers are the Navy's chief means for projecting significant military power. The Navy's strategic deterrent resides in nuclear powered submarines,

ships which are the least vulnerable of the nation's strategic deterrent forces. Equally important, our nuclear powered attack submarines are essential to control of the seas. When there is a potential or actual need to project power, ninety percent of the time, attack submarines are the first to arrive on the scene. Their presence acts as a necessary constraint on a real or potential adversary. Though the number of nuclear powered warships is declining, the worldwide demand on the Navy to protect national interests remains high. In this situation, each nuclear powered ship grows in importance, and we must have continuing assurance that these ships are available to meet our needs worldwide.

Nuclear energy is a demanding and unforgiving technology requiring careful engineering and constant critical oversight to ensure the Nation can continue reaping the benefit from Naval nuclear propulsion—without suffering adverse consequences such as have befallen other nuclear programs. President Reagan recognized this in 1982 when he issued Executive Order 12344 “for the purpose for preserving the basic structure, policies, and practices developed for this Program in the past and assuring that the Program will continue to function with excellence.” The Executive Order requires the Director to be “qualified by reason of technical background and experience in naval nuclear propulsion” and specifies the four-star grade and eight-year term. These requirements are necessary given the crucial importance and broad scope of the Director's responsibilities; i.e., the Director must have the requisite authority, stature, expertise, experience, and tenure needed to assure that decisions impacting reactor safety and reliability are not compromised by other considerations.

For 130 reactors, the Naval Reactors organization, with only 750 people, has a major regulatory responsibility, plus total responsibility (cradle-to-grave) for Naval reactor plants. In contrast, for 109 commercial reactor plants, the Nuclear Regulatory Commission, with 3,000 people, does only the regulatory job.

The Naval Nuclear Propulsion Program's record of excellence speaks for itself. Since NAUTILUS first put to sea 40 years ago, the Navy has delivered 203 nuclear ships—and their propulsion plants have provided the fleet unparalleled stealth and mobility, safely and reliably, without harm to the environment. In 1994, the Navy's nuclear powered warships achieved 100 million miles safely steamed on nuclear power. The Program received Presidential and Congressional recognition for this, e.g., the President's letter of 25 April 1994 states: “The Naval Nuclear Propulsion Program, with its high standards and efficiency, exemplifies the level of excellence we are working toward throughout our Government”. Likewise, the Senate's 1994 Defense Authorization Report states the Program “Is synonymous with excellence”.

The Navy Nuclear Propulsion Program's record has not been easily achieved, and is even harder to maintain. The record results in part from having the requisite structure and authority to get results. This is crucial to sustaining the Program's record, which is a must if nuclear powered warships are to continue their important contribution to national defense. The four-star billet and eight-year term for the Program's director are key elements of the existing arrangements set forth by law and executive order. There is no reason to alter these arrangements; they must remain as-is.

Mr. HUNTER. Why have you proposed \$20 million—one-fifth of the funds enacted for advanced submarine technology programs in FY 96—for rescission?

Secretary DALTON. Congress provided a \$20 million plus-up for the Advanced Submarine Systems Development program. The Department originally offered \$10 million of the \$20 million plus-up for rescission since this level of effort was not supported in the budget and to avoid starting programs that could not be supported in later years based on funding restraints. The final list has not yet been determined.

Mr. HUNTER. How much of the \$26 billion procurement decrement from FY 1997–FY 2001 is coming from the Navy?

Secretary DALTON. I am not aware of a \$26 billion procurement decrement.

While a higher level of funding for procurement would be desirable, the Department of the Navy has focused clearly on the best possible use of the funding that we do have. We have made our priorities and our choices; readiness and care of the troops come first, followed by maintaining the force structure and modernization. In taking action to ensure our readiness is fully supported in the near-term, we apportioned some additional risk to mid-term and long-term readiness areas. Ship depot maintenance and aircraft rework programs have been funded at levels proven to be manageable without impacting ship deployments or requiring the grounding of aircraft. Over the long-term, our strategy continues to be based on a strong reliance on future recapitalization, to be made possible by success in achieving efficiencies in all aspects of operations. The Department is continuing an ambitious program to improve the quality of life of our personnel.

The Department is aggressively reducing the cost of maintaining its infrastructure. Recapitalization efforts have been accelerated from the track established by the President's biennial budget for FY 1996/1997. For surface ships, the FY 1997 budget includes procurement of four Arleigh Burke Class guided missile destroyers as facilitated by Congressional action in FY 1996, and conversion of two ammunition ships. In addition, the National Defense Sealift Fund budget for FY 1997 includes funds for construction of two Large Medium Speed Roll-on/Roll-off ships for prepositioning/surge.

The budget also reflects our commitment to sustain the submarine industrial base and support the necessary replacement of our submarine force in the next decade. The SSN-23, approved by Congress in FY 1996, will bridge the gap in submarine construction until the New Attack Submarine begins construction in FY 1998. Advance procurement funds for the New Attack Submarine are budgeted in both FY 1996 and FY 1997.

Recapitalization of our aviation forces also remains on track with initial procurement of the F/A-18E/F and the V-22 budgeted in FY 1997.

Mr. HUNTER. What is the Department doing to comply with the Congressional direction to submit a plan for modernizing the EA-6B?

Secretary DALTON. The Department's plan for modernization of the EA-6B is nearly complete and will be submitted to the Congressional Defense Committees in April 1996. The Joint Tactical Air Electronic Warfare Study, also requested by the Fiscal Year 1996 National Defense Authorization Act, was forwarded to the Congressional Defense Committees on 18 March 1996 by the Under Secretary of Defense for Acquisition and Technology.

Mr. HUNTER. What F-14 upgrades are proposed in the budget request? What upgrades are not funded? Why?

Secretary DALTON. Three new F-14 modification programs are proposed in FY 97 President's budget submission. The first modification includes funding for the Digital Flight Control System (DFCS). \$9.6M of FY 96 funds will be provided to initiate program implementation. A total of \$80M will be allocated to complete this modification program. The second modification funds the F-14 Precision Strike Program. This upgrade incorporates the LANTIRN FLIR System, ALR-67, night vision capability and BOL chaff. \$358M is funded inside the FYDP for program execution. The third F-14 upgrade includes funding for ASPJ. This program will modify all F-14D aircraft to accept previously procured ASPJ systems.

Unfunded upgrades include ALE-50 towed decoy for TARPS aircraft, as well as additional ALR-67, LANTIRN pods and night vision devices. Funding restraints precluded acquiring this additional equipment.

Mr. HUNTER. Nearly \$2 billion has been removed from the FY96 budget due to revised economic assumptions. How have the service budgets been affected by this adjustment?

Dr. WIDNALL. All Air Force appropriations shared in this adjustment. Operations and Maintenance reductions are applied equally across the appropriation (pay excluded). Applying these reductions during execution increases risk and limits the flexibility of field commanders. Procurement/Research, Development, Test and Engineering reductions are distributed proportionally to mission areas (e.g., space programs, air superiority programs, global mobility programs, information dominance programs, etc). While some program phasing may be affected, effort was made to minimize programmatic impacts.

Mr. HUNTER. Were any programs cut by more than a pro-rata share of the adjustment? If so, which programs and how much were they cut?

Dr. WIDNALL. Operations and Maintenance reductions are applied equally across the appropriation (pay excluded). Procurement/Research, Development, Test and Engineering reductions are distributed proportionally to mission areas, e.g.: space programs, air superiority programs, global mobility programs, information dominance programs, etc.

Mr. HUNTER. The Department has proposed to rescind \$1 billion of FY96 appropriations for reasons which have not been publicly stated. These rescissions are in addition to those proposed for Bosnia and Jordan and included in them are funding for the Army's Kiowa Warrior, the Navy's Standoff Land Attack Missile, and the Air Force's AGM-130 and AGM-142 missiles. In view of the fact that the Army has not added any additional funding to its FY97 Comanche development program and the Department professes to be in need of precision guided munitions, why are these programs proposed?

Dr. WIDNALL. We are not aware of any proposed rescissions other than those for Bosnia, Jordan, Israel, and Counterdrug Operations. Air Force rescission candidates total approximately \$181 million. Of that, about \$60 million is for revised economic assumptions in Research, Development, Test, and Engineering and Military Con-

struction appropriations. The AGM-130 and AGM-142 are not sources for these rescissions.

Mr. HUNTER. How much of the \$26 billion procurement decrement from FY 1997–FY 2001 is coming from the Air Force?

Dr. WIDNALL. The delta in the Air Force procurement accounts between the FY96 President's Budget (PB) submission and the FY97 President's Budget submission is as follows:

[In millions of dollars]						
	Fiscal year—					Total
	1997	1998	1999	2000	2001	
Aircraft procurement:						
Fiscal year 97 PB	5,768.3	6,381.2	8,203.5	9,715.1	10,826.2	40,894.3
Fiscal year 96 PB	6,566.5	7,693.4	9,143.5	10,935.7	12,576.5	46,915.6
Delta	– 798.2	– 1,312.2	– 940.0	– 1,220.6	– 1,750.3	– 6,021.3
Missile procurement:						
Fiscal year 97 PB	1,959.1	2,516.9	2,632.1	3,071.9	3,240.8	13,420.8
Fiscal year 96 PB	2,334.0	2,888.3	2,817.0	3,171.2	3,283.0	14,493.5
Delta	– 374.9	– 371.4	– 184.9	– 99.3	– 42.2	– 1,072.7
Other procurement:						
Fiscal year 97 PB	1,272.3	1,430.9	1,518.0	1,501.3	1,515.7	7,238.2
Fiscal year 96 PB	1,340.1	1,411.3	1,476.6	1,496.7	1,543.8	7,268.5
Delta	– 67.8	19.6	41.4	4.6	– 28.1	– 30.3
Total Air Force Blue¹ Procurement						
Delta						– 7124.3

¹ Excludes National Foreign Intelligence Programs, Defense Health Programs and Special Operations Command.

Numbers represent Blue Air Force only. Offsets exist in other appropriations which in aggregate account for the overall Air Force delta between the FY96 and FY97 PB submissions. The Air Force's budget submission must be combined with other Service submissions to determine the overall Department of Defense delta.

Mr. HUNTER. At one aircraft per year—as requested in FY97—it would appear there is no plan to modernize the active tactical airlift fleet. Is there a long-term procurement plan for the C-130J?

Dr. WIDNALL. C-130J acquisition is programmed at two aircraft per year through the Future Years Defense Plan (FYDP) with the exception of one aircraft in FY97. Budget considerations necessitated the FY97 decrease from two aircraft to one aircraft.

Initial C-130J deliveries will be used to test advanced C-130J technologies, develop tactics and procedures, and permit modernization of specialized mission units before theater airlift replacement begins in earnest. The Chief of Staff has testified before the Senate Armed Services Committee that one of his top ten priorities, given increased quantities of C-130Js, is to modernize Airborne Command, Control and Communications (ABCCC), psychological operations (EC-130), and weather reconnaissance (WC-130) aircraft.

The Air Force C-130 fleet will begin reaching the end of its service life and losing capability shortly after the turn of the century. We have undertaken an incremental approach to modernization which will allow the Air Force to establish a C-130 replacement program with far lower risk than waiting for the service life situation to become critical. Our modernization effort will continue to focus on meeting the needs of anticipated C-130 fleet retirements.

Mr. HUNTER. What is the impact on the F-22 program if there are no C-130Js procured for Guard/Reserve units, as has traditionally been done over the last decade?

Dr. WIDNALL. If Lockheed's C-130J production line runs at a lower rate than projected, the company overhead will have to be re-allocated over the rest of their programs. The restructure of overhead would probably lead to an increase in F-22 program overhead rates.

After Milestone II, the F-22 program overhead rates increased above the level agreed to in the Engineering and Manufacturing Development contract, due largely to reductions in Department of Defense programs. To encourage contractor action to lower the overhead costs, then Secretary of the Air Force, Dr. Rice, directed over-

head cost management be an award fee criterion. Due to commitment at the Chief Executive Officer level, the contractor team has done an exceptional job in reducing the overhead charged to the F-22 program. Current overhead rates are back to the level agreed to at the beginning of F-22 Engineering Manufacture and Design. If the F-22 rates are impacted by reductions to the C-130J program, we anticipate the contractors will once again work to lower those rates as much and as quickly as possible.

Mr. HUNTER. According to FY96 procurement documents, the Air Force F-22 program programmed \$53 million for advanced procurement in FY97. This year's request has no FY97 F-22 procurement. What happened to the \$53 million?

Dr. WIDNALL. The \$53 million advanced-buy, originally programmed for FY97, was for the four Pre-Production Verification (PPV) aircraft. These four aircraft will be used for dedicated Initial Operational Test and Evaluation (IOT&E). The aircraft are now funded using Research, Development, Test, and Evaluation (RDT&E) account funds. The funding change complies with the Secretary of Defense's policy to fund IOT&E assets with RDT&E funds. Because of the funding change, the total number of aircraft that are now bought with procurement money is 438 instead of 442, and the number of aircraft bought with RDT&E money is 13 instead of 9. All the aircraft (RDT&E and production) will be delivered on the same schedule and in the same configuration as they were prior to the funding change.

Mr. HUNTER. The Secretary of Defense specified as part of his third modernization objective, replacement/continued production of precision guided bombs for our tactical aircraft. If this is true, why did the Department rescind all of the \$40M added funding for one hundred AGM-130 precision guided stand-off munitions?

Dr. WIDNALL. The \$40 million for AGM-130 was under consideration as a source of funds to pay for the Bosnia deployment. However, the Department of Defense elected not to rescind the funds and the money is currently under contract to procure the weapons.

Mr. HUNTER. The Secretary of Defense also highlighted as key capability, other advance munitions, especially ones for defeating enemy tanks. Why then was the FY97 funding for CBU-97 Sensor Fuze Weapon (SFW) reduced from the amount programmed for FY97 in the FY96 procurement request?

Dr. WIDNALL. Use of Sensor Fuzed Weapon (SFW) procurement money was required to fund the FY97 SFW Planned Product Improvement (P31) Research, Development, Testing, and Evaluation program. Fiscal constraints then forced the Air Force to reprogram some of the FY96 SFW funds. The SFW P31 remains an unfunded priority for FY97 and is being considered in the Service's FY98 Program Objective Memorandum.

Mr. HUNTER. While the C-17 missions flown in support of Bosnia are both visible and impressive, how many missions/sorties were flown by active duty USAF C-130s? How many by National Guard and Reserve C-130s?

Dr. WIDNALL. During the same period the 12 C-17s were deployed to Rhein Mein, the C-130 flew the following in support of Operation Joint Endeavor: Active Duty: 1,048 sorties; AF Reserve: 280 sorties; National Guard: 0 sorties.

The Air National Guard (ANG) deployed 12 C-130s to Ramstein Air Base on April 9, 1996, to support Operation Joint Endeavor. The ANG is currently flying in support of Joint Endeavor until July 10, 1996.

Mr. HUNTER. The FY96 APAF request included \$88M for two C-130J aircraft which was authorized and appropriated, and programmed two more C-130J aircraft in FY97. The Congress also added funding for three additional WC-130J aircraft in FY96. With the procurement request for C-130Js already at questionably low rates of two per year, why was the FY97 request reduced from two aircraft to only one?

Dr. WIDNALL. Funding reduction dictated the FY97 decrease from two to one C-130J aircraft. Still, no operational impact is anticipated because of only one C-130J procurement in FY 97. Initial deliveries will facilitate the testing of new technologies and development of new tactics procedures.

The Air Force plans to replace unique mission aircraft with the C-130J to help mature this new weapon system. The C-130J's greater predicted reliability and manpower savings will be carefully evaluated in order to facilitate modernization of the older theater airlift fleet at the turn of the century.

Question. With a total seven C-130J aircraft currently authorized and appropriated for the US Air Force budgeted at an average unit cost of approximately \$44M per aircraft, why is the request for one C-130J in FY97 budgeted at \$63M?

Answer. The unit cost for the FY97 buy of one aircraft is \$51.9 million. The difference between this cost and the amount budgeted is support costs and Engineering Change Orders (ECO). The following provides FY97 budget details:

Item:	Millions
Basic aircraft and engines	\$51.9
Support costs	9.6
Support equipment	1.0
Mission support	3.7
Interim contractor support	2.9
Training	1.0
Data	1.0
ECO's	1.4
Total	62.9

Mr. HUNTER. With the C-130J still not operationally tested or integrated into the active Air Force, is there a strategy to initially field this new configuration of tactical airlift aircraft into the Air National Guard and Air Reserves forces in order to replace older aircraft?

Dr. WIDNALL. The Air Force recognizes a future need for theater (tactical) airlift modernization, but significant modernization now is "early to need" and unaffordable. To accommodate the planned acquisition profile, two aircraft per year across the Future Years Defense Plan (except for only one aircraft in FY97), smaller units with unique mission variants of the C-130 (e.g., WC-130s, Airborne Command, Control, and Communications, and EC-130s) will field the C-130J.

Modernizing Active Duty, Air National Guard, and Air Force Reserve "unique mission" aircraft with the C-130Js will help mature this new weapon system. The C-130J's greater predicted reliability and manpower savings will be carefully evaluated in order to facilitate modernization of the older theater airlift fleet near the turn of the century.

Mr. GEREN. In the near term, the Air Force has projected a shortfall of 120 F-16's between now and 2008 to 2010 when the JSF is due to enter the Air Force inventory; however, at the current rate that we are buying F-16's (6 in FY96, 4 in FY97), we will never be able to modernize our fleet to meet this shortfall. What decisions, if any, have been made to deal with this issue?

Dr. WIDNALL. We are aware that six aircraft a year will not sustain our F-16 fleet at the presently projected attrition rates. We continuously assess the F-16 requirement and options to fill it. We are balancing this priority versus all other Air Force programs in the FY98 Program Objective Memorandum (POM) process and will have a decision on future procurement rates prior to submitting the POM in May 1996.

Mr. GEREN. Secondly, the long term implications are even worse. Beginning around the year 2012, F-16's will begin to retire at a rate of 150 to 180 a year because of their age. Is a plan in place to ensure that we will have the resources available to buy enough F-16 replacements (JSF) to deal with this attrition?

Dr. WIDNALL. We have developed a disciplined "time-phased" fighter acquisition plan to match the resources available with force structure requirements. The substantial investment required to design, develop, and field modern fighters compels the Air Force to pursue a time-phased approach to fighter acquisition. Investments in the fighter force are essential to maintain sufficient combat power to execute the National Military Strategy. At projected attrition rates, the force structure is projected to fall below 20 Fighter Wing Equivalents around FY00. Unless arrested by the infusion of F-16s and F-15Es in the short term and F-22 and Joint Strike Fighter (JSF) in the long term, the force structure shortfall gradually increases through 2010 and then accelerates as older aircraft reach their service life limits and retire in large numbers.

Early procurement of F-16s and F-15Es fixes short-term force structure requirements and is deconflicted from F-22 procurement requirements. F-22 procurement must begin on schedule to maintain America's air dominance and avoid unmanageable budgetary conflicts with JSF procurement. Timely JSF delivery will avoid severe fighter force structure shortfalls past 2010 caused by F-16 service life limits. We have carefully managed our fighter force sustainment and modernization efforts to produce a strong and ready force within fiscal realities.

Mr. GEREN. Third, has a decision been made to allow for shortfalls in current generation aircraft in order to ensure that we will be able to afford their eventual replacements or will we face both a shortfall of current aircraft while also not being able to pay for their replacements?

Dr. WIDNALL. Our "time-phased" fighter acquisition strategy matches the force structure requirements with fiscal realities. Our planning guidance requires us to maintain 20 Fighter Wing Equivalents (FWE) to meet the needs of the warfighting commanders-in-chief. The F-16 and its replacement, the Joint Strike Fighter, are

an integral component of the 20 FWE force structure. We will continue to seek appropriate balance between near term and longer term force structure needs to meet the 20 FWE guidance.

Mr. GEREN. Finally, have the necessary steps been taken to ensure that our procurement crisis does not force us to delay the purchase of the F-22, which would result in a shortfall of both our joint tactical aircraft fleet as well as our air superiority fleet?

Dr. WIDNALL. It is imperative that the Air Force move ahead with new programs. The Air Force has developed a time-phased modernization plan that balances costs with operational Commander-in-Chief needs. In the near-term, airlift modernization in the form of the C-17 fills an important shortfall. In the mid-term, the modernization plan focuses on the need for conventional bomber and smart munitions upgrades to bolster US quick reaction forces. In the long-term, fighter replacements are the most urgent item. The F-22 program's current schedule fits within the historical budget percentage that the Air Force has spent on fighter modernization, and is affordable as part of the Air Force's integrated, time-phase modernization plan.

The greatest threat to the Air Force's fighter modernization plan is funding instability. Seemingly small funding cuts have disproportionately large program impacts. Historically, one dollar taken from the F-22 program requires two and one-half to three dollars to be replaced in the future. Funding cuts since 1991 have caused Engineering and Manufacturing Development costs to increase approximately \$2B. Not only do funding cuts cause costs to increase, they also cause the schedule to slip. Since 1991, the F-22 Initial Operational Capability has slipped 32 months. If the F-22 schedule slips further, it will create an unacceptable overlap with the requirement to replace the F-16. Trying to replace both air superiority and multi-role fleets simultaneously has serious affordability and force structure implications. Further funding cuts to the F-22 program imperil the force modernization plan by causing cost increases and schedule slips.

The Air Force is fully committed to keeping the F-22 on its current schedule, allowing affordable force modernization in the next decade and beyond.

Mr. GEREN. I would like you to comment on your assessment of the progress of the CV-22 program for the Air Force.

Dr. WIDNALL. The Deputy Secretary of Defense in the Dec. 16, 1994 Program Decision Memorandum IV directed the Air Force to provide funding for procurement of four CV-22s in FY00 and FY01. The Air Force supported that decision and on March 28, 1995 the Chief of Staff of the Air Force approved the procurement profile for 50 CV-22s. The Feb. 10, 1995 Acquisition Decision Memorandum authorized the Navy, the Air Force, and US Special Operations Command (USSOCOM) to proceed with an integrated MV-22/CV-22 program. The Navy was designated as the lead service and program funding responsibilities were identified. The Navy will fund completion of Engineering, Manufacturing, and Development (EMD). The Air Force will fund procurement costs for the airframe and equipment common to the MV-22. USSOCOM will fund procurement costs of special operations-peculiar mission equipment and installation requirements. The Joint Multi-Mission Vertical Lift Aircraft Operational Requirements Document was validated and approved by the Joint Requirements Oversight Council on March 4, 1995. Since then, a risk reduction effort has been underway to complete radar modification, initiate integration, and provide planning support. In September 1995, the Navy Program Office released a Request for Proposal to develop the full scope of CV-22 modifications and integration through EMD. The Bell-Boeing proposal is under review with contract award anticipated later this year. The Air Force Special Operations Forces are scheduled to receive their first aircraft in FY03 and to establish initial operational capability with 15 aircraft in FY05. Full operational capability for 50 aircraft will be achieved by FY10. The Air Force remains committed to the long lead buy in FY00 and the purchase of the first four CV-22s in FY01.

FISCAL YEAR 1997 NATIONAL DEFENSE AUTHORIZATION ACT—SERVICE CHIEFS

HOUSE OF REPRESENTATIVES,
COMMITTEE ON NATIONAL SECURITY,
Washington, DC, Wednesday, March 13, 1996.

The committee met, pursuant to call, at 9:35 a.m. in room 2118, Rayburn House Office Building, Hon. Floyd Spence (chairman of the committee) presiding.

OPENING STATEMENT OF HON. FLOYD D. SPENCE, A REPRESENTATIVE FROM SOUTH CAROLINA, CHAIRMAN, COMMITTEE ON NATIONAL SECURITY

The CHAIRMAN. The meeting will please come to order.

I would like first of all to welcome our witnesses this morning and thank them for appearing before the committee.

The committee this morning continues to receive testimony on the President's fiscal year 1997 defense budget request, and, as such, we are pleased to have with us this morning the following:

The Army Chief of Staff, General Reimer; Chief of Naval Operations, Admiral Brorda; the Air Force Chief of Staff, General Fogleman; and the Commandant of the Marine Corps, General Krulak. Although neither General Reimer nor General Krulak are strangers to the committee, I want to extend a special welcome as each of them is formally appearing before the committee for the first time.

Last year when the four service chiefs testified together before the committee, I cited what was then a very recent quote from an anonymous officer in the Army's 3d Division. He said—and I quote—We're an expensive instrument of power for a nation to have. When you don't need us, you don't want to pay for us. When you do need us, you want us to be better than we could ever possibly be.

This was a striking statement a year ago and is, in my mind, an even more compelling depiction and indictment of the situation today. The administration continues to employ the U.S. military forces at record operating tempos, yet it simultaneously requests a defense budget that declines in real terms by more than 6 percent over current spending levels, a budget that represents the 12th consecutive year of decline in defense spending.

What is especially disconcerting to me is that the President would submit such a budget following a budget cycle in which the Congress was so concerned with the low levels of spending proposed by the President that, for the first time in the 20 years I have been on this committee, we have been doing budget reductions, the 1996 resolution significantly increased the President's re-

quest. The situation is even worse than that anonymous officer thought earlier.

The administration wants, needs, and is using the military but refuses to provide adequate resources. As I indicated last week during Secretary Perry's testimony, I believe that the burden of proof rests squarely on the administration's shoulders when it comes to demonstrating that the long-term defense plan is not underfunded and is, in fact, not broken.

The administration has confronted the underfunding problem to date by using modernization to pay for shortfalls elsewhere. Now when the time comes to modernize and the administration has failed to address the underlying problem of inadequate resources, the possibility of using deeper force structure and end strength reductions has recently been raised by the Secretary.

With an Army funded at only 475,000 in this long-term plan, General Reimer is already confronting this slippery slope of force reduction below the Bottom-Up Review recommended levels. The force is already stretched in peacetime, so where is the give in terms of our global commitments and presence if the force is further reduced?

I would appreciate it if each of our witnesses this morning would address in their opening remarks this particular issue of the implications of force structure and end strength reduction beyond Bottom-Up Review levels.

Gentlemen, you or your predecessors have, in one fashion or another, over the past several years described the overall posture of your respective services as being on the proverbial razor's edge. Are you still on the razor's edge? And, if so, isn't it getting a little bit painful by now?

How much longer can any of you stay on the edge without causing irreparable long-term damage to a force that is made up entirely of volunteers?

One would think from last week's testimony that the long-term defense plan, as reflected in the 1997 defense request, is sufficient and that the service is doing just fine, but this budget cannot even be described as a treading water budget. It is already under water and sinking fast.

As I indicated a moment ago, this budget already heads some of the services in the area of end strength and force structure cuts below the Bottom-Up Review.

In the area of modernization, despite the much publicized chairman's program assessment that recommended annual procurement funding at the \$60 billion level by the fiscal year 1998—2 years earlier than planned by the administration—this budget slips achievement of this objective by another year to fiscal year 2001. Frankly, not only does this budget not propose solutions to identified shortfalls, it adds to the problem.

This committee will continue trying to work with the Department and the services to identify problems and, more importantly, to focus on solutions. Ultimately, however, Congress will not be able to effectively help unless the help is wanted. To this end, I appreciate the candid testimony we received last year during this hearing and I look forward to equally candid testimony today.

A significant percentage of the action this committee took last year was based in part or in whole on recommendations received from the service secretaries and chiefs in both public testimony and private conversations. I hope you are in a position to help us help you again this year. Accordingly, the committee welcomes the valuable opportunity your presence here this morning provides.

Before commencing, however, let me recognize the gentleman from California, the committee's ranking Democrat, Mr. Dellums, for any comments he might like to make.

STATEMENT OF HON. RONALD V. DELLUMS, A REPRESENTATIVE FROM CALIFORNIA, RANKING MINORITY MEMBER, COMMITTEE ON NATIONAL SECURITY

Mr. DELLUMS. Thank you very much, Mr. Chairman.

First let me join you in welcoming our distinguished witnesses this morning.

Second, I would like very much to give maximum opportunity for members of the committee to engage our distinguished witnesses on the critical issues that they will be testifying upon this morning.

So, with that, I would resist the temptation to engage in offering a further formal statement but simply at this point would ask unanimous consent that my formal remarks appear at the appropriate point in the record, and with those opening remarks and welcoming our witnesses, I would yield back the balance of my time.

The CHAIRMAN. Without objection, so ordered.

[The prepared statement of Mr. Dellums follows:]

OPENING STATEMENT
HON. RONALD V. DELLUMS
BEFORE THE HOUSE NATIONAL SECURITY COMMITTEE
POSTURE STATEMENT OF THE SERVICE CHIEFS
MARCH 13, 1996

I join with the Chairman in welcoming the testimony of the Commandant, the Chief of Naval Operations and the Chiefs of Staff of the Army and the Air Force. Your views - like those of the Secretary of Defense, the Chairman of the Joint Chiefs, and the Service Secretaries from whom we heard earlier regarding the posture of their respective services are very important to the Committee as it seeks to discharge its role in the formulation of our national security policy. We could not properly complete that responsibility without hearing your thoughts early in the process.

As I stated to this Committee before, the nation's budget is the best reflection of its priorities across all of the competing needs that our citizens face. And, in the current environment, the ascertainment of appropriate priorities is made more urgent by the movement towards balancing the budget. Although setting total budget priorities may be beyond our committee's responsibility, we can participate in reaching sensible conclusions about the

national security threats we face, and in making sensible decisions about the best strategies to prevent, deter or meet those threats and the elements necessary to implement those strategies.

I previously noted to Secretary Perry, General Shalikashvili, the Service Secretaries and my colleagues during earlier hearings, that several areas have emerged in which there is elevated controversy and concern on this committee. They are primarily the debate over missile defense priorities; the over-all level of spending in the defense top[line; the procurement funding level in FY 1997 and beyond and its impact on modernization efforts; and the privatization initiatives being undertaken within the Department.

Your contribution here today will help us to understand more about these issues, and thereby help to ensure that we preserve our nation's security and its economic health. I look forward to your testimony.

The CHAIRMAN. We will begin this morning with General Reimer.

**STATEMENT OF GEN. DENNIS J. REIMER, CHIEF OF STAFF OF
THE ARMY**

General REIMER. Thank you, Mr. Chairman, members of the committee, and thank you for that special welcome. I am delighted to have the opportunity to talk about the Army in front of this committee.

I have a written statement, and I would ask that it be included in the record if that is possible.

The CHAIRMAN. Without objection.

General REIMER. I would like to say just a couple of things about the U.S. Army. First of all, as all of you know, we are completing a 5-year drawdown. We have drawn down the Army by over 500,000 people. That is active component, reserve components, and Department of the Army civilians. That is about the combined total of what works for Chrysler and Ford. We have also closed about 600 bases across the world, most of those in Europe but many of them in the United States.

At that point, I thank the members of the committee and the Members of Congress for helping us take care of our people during this difficult drawdown period. That was terribly important to us, and through your help we were able to do that, and I think the result is that the Army remains trained and ready. You have seen that in the missions that we have accomplished in the last 4 or 5 years, and you see that in the mission we are conducting in Bosnia today.

I visited Bosnia. I have talked to the troops. I am enormously proud of what they are doing. They are doing it under very difficult conditions, conditions that are almost unbelievable. They fought the snow, the ice, the water, the mud, and they have come out winners in each case.

I think that is a tribute to a number of things. It is a tribute to our doctrine, it is a tribute to our training system, it is a tribute to technology, but most of all it is a tribute to the fine young men and women that we are fortunate to have in the U.S. Army.

I would say that the Army has done more than reshape ourselves during this last 5-year period. We have introduced new doctrine. We have eliminated the tactical nuclear and chemical weapons from Europe and the U.S. Army arsenal. We have embarked upon a journey into the future, a journey we referred to as Force 21, and we are in the third year of that journey. It is a journey where we have taken a series of advanced war-fighting experiments, linked them together, and moving to the Army that we see necessary for the 21st century.

I think what has happened in the last 4 or 5 years under the leadership of my predecessor, General Sullivan, has been a remarkable accomplishment, but it has not been without pain. The soldiers that we have out there are extremely busy. We say that the pace of operation is up about 300 percent, and I think that is true. This is an Army that is 65 percent married, and we are spending an awful lot of time away from the families. The latent effects of all of that may not show up for many years.

I would tell you, as you asked in your opening remarks, Mr. Chairman, that I think the end strength that we have programmed for 1997, 495,000 is the right end strength for the current strategy that we have.

The 1997 budget that we have submitted sustains the readiness of America's Army Active and Reserve components. It honors our commitment to the quality of life of our people, and it continues the momentum towards Army 21, which is terribly important to us, and it starts to deal with the very difficult problem we have in terms of recapitalization of the force. I would say to you that it is in balance, but it is very delicately balanced and it is very difficult to be moving things around in that budget and still achieve all that we want to achieve with the U.S. Army in 1997.

I want to thank the members of the committee for the help you gave us in fiscal year 1996. You helped us plug some big holes in our modernization account, and for that I am deeply appreciative.

Finally, I would close with just one request, and that is that the fiscal year 1996 continue to fund operations in reprogramming, which is terribly important to us, and I would ask your continued support for that.

I look forward to your questions, Mr. Chairman.

[The prepared statement of General Reimer follows:]

RECORD VERSION

STATEMENT BY
GENERAL DENNIS J. REIMER
CHIEF OF STAFF, ARMY
BEFORE THE
COMMITTEE ON NATIONAL SECURITY
HOUSE OF REPRESENTATIVES
SECOND SESSION, 104TH CONGRESS
ON THE FISCAL YEAR 1997 BUDGET REQUEST
AND
THE POSTURE OF THE UNITED STATES ARMY

13 MARCH 1996

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON NATIONAL SECURITY
HOUSE OF REPRESENTATIVES

**STATEMENT BY
GENERAL DENNIS J. REIMER
CHIEF OF STAFF, ARMY
ON THE FISCAL YEAR 1997 BUDGET REQUEST AND
THE POSTURE OF THE UNITED STATES ARMY**

Mr. Chairman and members of the Committee, thank you for this opportunity to talk to you about America's Army. I would like to begin by highlighting areas where the Army needs continued support from this Committee and the United States Congress. I will then talk in detail about today's and tomorrow's Army.

First and foremost, thank you for your support in maintaining the current readiness of the force. Your support for operations and maintenance has been absolutely crucial. Your actions have helped and will continue to help save lives in the future. This effort has maintained forces that were able to answer the nation's call and achieve decisive victory in war and in maintaining the peace. The Army appreciates your continued support in this important area.

Second, I ask your support of Army end strength and force structure sufficient to meet the requirements to deter conflict while actively reassuring allies and performing other critical missions. A properly sized force will be able to achieve the objectives directed by the National Command Authority without placing excessive strain on units, soldiers or families. Today's Army is stretched thin. Valiant soldiers will accomplish all assigned tasks, but if they see this profession as inconsistent with raising a family, then the future of the Army is in serious doubt.

Third, I ask your support for Quality of Life programs identified by the Chairman and the Joint Chiefs of Staff. Our soldiers sacrifice a great deal to serve their country. It is right and proper for us to provide them and their families fair and adequate pay, stable retirement benefits, quality medical care and safe, affordable housing.

Lastly, I ask your support for Army modernization. I do not know when or where, but we will sometime place soldiers in harm's way, on short notice and ask them to defeat a determined and dangerous foe. When that happens, we should be satisfied that we have done our best to prepare them for the task at hand. We are providing adequately for the soldiers of 1995, but we have concerns about the soldiers of 2005. Currently, the Army Research, Development and Acquisition (RDA) budget is only 15% of DoD

RDA. It will continue to be a challenge to balance the readiness needs of today's and tomorrow's soldiers. The increased resources resulting from inflation adjustments should help us to maintain that critical balance.

Drawdown Update

The Army is nearing the end of an historic drawdown. Army resources have been reduced by about 40% and personnel by 35%. About 450,000 volunteer soldiers and civilians have left the Army. They left with new skills and with the dignity warranted by their service. Many did not want to leave but understood the changing requirements.

To put the size of this drawdown in perspective, the Army rolls have been reduced by about as many people as are employed by Ford and Chrysler Motor Companies combined. All of these patriots were volunteers who returned to civilian life with training and with the pride that comes from a job well done. That has been a traumatic change both for soldiers and families leaving the service and for those who remain.

It was important to us to ensure that we took care of the people who had served the country so well and to keep the remaining Army trained and ready during the drawdown. In order to do this, the accounts for modernization were reduced, and the most modern equipment distributed across the remaining force. The truly historic accomplishment is that the Army remained trained and ready throughout the drawdown. That has never been done before. This unprecedented accomplishment was achieved through the dedication and selfless service of great soldiers. However, there was a cost. We paid a price that may not be seen for some time.

We have yet to see the drawdown's effects on leadership and retention. In Cavalry terms, our units have been ridden hard and put away wet. Good people will continue to answer the nation's call until they or their families decide they have done enough. It is hard to predict when Operating Tempo (OPTEMPO) will affect retention of quality soldiers, but the time may be growing closer. We are asking a lot of our soldiers these days, and they are magnificent in their response. Still, they are our most precious resource, and we must give them the quality of life that they have certainly earned by their service. The Army needs predictability in funding and stability in personnel end strength.

Worlds best Army; on the job every day

The Army sustains 100,000 soldiers forward deployed, primarily in Europe and in the Pacific. In addition, this past year, the Total Army had an average of 21,500 soldiers deployed to missions in about 70 countries on any given day. Current missions include Sinai, Macedonia, Kuwait, Haiti, Partnership for Peace Exercises, Joint Task Forces for the drug war, hurricane and flood relief, and of course Bosnia. Concurrently, units are training to maintain readiness for possible regional conflicts.

While the majority of soldiers deployed were active duty personnel, these missions could not have been accomplished without our Army Reserve and National Guard forces. The Total Army effort included more than 17,000 soldiers of the Army Reserve on training operations or missions in 74 countries. In FY 95, 24,000 soldiers of the National Guard participated in training missions in 58 countries. Together these soldiers provided medical care in Thailand, taught computer skills in Jordan, and built roads in Central America. They have also responded to hurricanes, floods and other natural disasters in the United States.

Domestic operations were also demanding. During FY 1995, 17,000 soldiers from the Army National Guard responded to 460 emergency missions in 47 states. Army Reserve and National Guard forces are integral to the execution of the National Military Strategy. All components of the force are involved in executing the Army's missions -- along with DA civilians who are indispensable to the total team. Today's Army is a seamless blend of active component, reserve component and DA civilians working together to achieve America's goals.

The part of the Army not in units consists of Table of Distribution and Allowances (TDA) organizations. The TDA Army is meeting the challenges of future war and resource management well, and allowing units to focus on combat readiness. This essential part of the Army develops the doctrine for the Army's future challenges while meeting today's challenges. Our TDA organizations recruit, train and equip soldiers for the Army. Training and Doctrine Command, (TRADOC) one of our largest TDA organizations, continues to run the Combat Training Centers that are the centerpiece of the Army's unit training program. Other TDA organizations run the installation base that supports all our soldiers, develop and acquire equipment for the Army and DoD in areas of Army proponentcy. This part of the Army is about 25% of the active force, the lowest ratio of any of the Services. The Army is trained and ready today. Our forces are accomplishing all missions, but they are very busy.

Projecting the US Army into the Future

The Army provides capable land forces to the joint force commander to compel, deter, reassure and support. Future threats and challenges are likely to continue across the spectrum of conflict. There is no indication that challenges to our security will disappear. There is evidence that challenges will take new forms, and the Army is preparing for that. The best preparation for an unpredictable world is a force with balanced capabilities that the joint force commander can tailor to meet multiple, varying requirements.

The United States currently has the best Navy and Marine Corps in the world. They are fully capable of defeating any threat to US access to the sea lanes and providing power projection for its land forces. The United States is also fortunate to have the best Air Force in the world. The US Air Force is fully capable of defeating any competitor in the skies to achieve air supremacy and global power projection. The US Air Force's ability to achieve air supremacy and destroy targets on the ground is critical to successful operations in any environment. The Army is proud to be part of the best joint forces in the world today.

For its part, the US Army must continue to provide land forces with the capability to deter challenges to US interests and, if necessary, to compel behavior more consistent with US security.

Our capability to wage high intensity conflict deters those who would challenge the United States. Our commitment to maintain our warfighting capabilities deters those who would challenge us in this most dangerous type of conflict. Deterrence is far cheaper than fighting a war. Consistent commitment by the United States both decreases our risk and also sustains the lowest defense spending over the long term. General purpose Army forces achieve these and other policy goals. We must continue to recapitalize heavy and light forces to ensure the continued ability of the Army to accomplish its primary mission -- to help win the nation's wars.

The US strategy of Peacetime Engagement has led to a dramatic increase in the role of the Army as an instrument of policy. The Army remains uniquely capable of reassuring our allies and supporting efforts directed by the National Command Authority to enhance US security. In the single superpower world, these requirements have dramatically increased. Every foreign military official I meet seeks closer cooperation with the US Army, primarily through exercises or training. Our cooperation with "boots on the ground" helps assure their future military and political cooperation while increasing United States influence worldwide. However, in the tumultuous

world political arena, there will continue to be a competition of interests, and there will continue to be those whose interests conflict with ours. Those who wish to threaten the US will do so in the way that most favors their success.

History shows that we build military capabilities like engineers building a dam -- to hold back the water that might threaten us. But history also shows that those who wish to threaten us will do so at our weakest point -- much as water finds cracks in a dam. During the Cold War our nuclear deterrent led others to challenge us below the nuclear threshold. Similarly, we are challenged today by rogue actors on the world stage -- national, sub-national and some without borders. We are also challenged by proxy and by terrorists or others who seek to exploit perceived weaknesses. They know we cannot afford to protect everything. Those who seek to threaten US interests will continue to do so in the manner that appears to offer the greatest advantage. They will seek to exploit a perceived lack of US commitment or capability. If we concentrate our resources on any one particular type of conflict, we may deter that conflict while possibly encouraging another.

Securing peace for our future requires that we field joint forces with balanced capabilities sufficient to deter others from threatening our interests or if necessary to compel behavior consistent with our security. Further, these joint forces must be of sufficient size and strength to reassure our allies and execute necessary operations without providing a window of vulnerability for others to exploit. Modern, professional forces are complex organizations requiring long lead times to organize train and equip. We have to be forward looking in the decisions on structure and size. It takes 10-15 years to rebuild brigade or division sized force structure, but it takes 20-25 years to train the commanders for these organizations.

Army Force Structure

The exact structure of our forces is always a subject for discussion. This discussion must always begin by addressing the requirements that flow from our National Security Strategy. In my view, the key to providing the requisite capabilities to the nation is balanced, general purpose forces. I encourage you to ask the joint force commanders in the field what additional capabilities would add most to their ability to execute the National Military Strategy. I think they will agree that US success and influence ultimately depend on putting soldiers on the ground. Those soldiers must be trained and ready when needed.

The Army must be prepared for the most dangerous circumstance, the requirement to deter or, if necessary, compel another significant power in future decades. This requirement drives recapitalization of balanced ground forces with heavy emphasis on modernization. The current force is designed based on acceptable risk -- based on the current low likelihood of such a competitor -- but further forestalling of modernization would greatly increase risk. There are long lead times for modern equipment and longer lead times to develop and train the leaders who will employ it. Consequently, further deferral of modernization could delay a modernized force beyond the limits of our ability to anticipate future security challenges. Creating such a window of vulnerability could lead to a future environment where the interests of the United States are directly threatened. The current program, as laid out in the new FYDP, provides additional future funding for Army modernization.

The US strategy of Engagement and Enlargement exploits US capabilities to sustain regional stability and foster conditions for economic prosperity. The threats to stability are varied and unpredictable. Many threats occur on the lower end of the spectrum of conflict where a less capable, extremely committed adversary can challenge us. Such opponents often fade into the population or terrain and sustain themselves for long periods. Our participation with Army forces of other nations enables them to deal with such threats better and earlier. As in high intensity conflict, our soldiers need the best available equipment. The Army is aggressively pursuing technology to enhance distributed decision making to facilitate faster, better response at all levels.

Across the spectrum of conflict, the balance between "capital and labor" shifts. In situations where we seek less than total destruction of what occupies the battlespace, soldiers become increasingly important. Compelling or deterring the behavior of a hostile nation, or reassuring and supporting a friendly nation requires soldiers in numbers sufficient to the task. Requirements for US soldiers on the ground continue to increase.

Today's Army provides balanced capabilities but is stretched. The critical element to future peace is balanced capabilities sufficient to deter conflict or to compel a potential adversary to behave in a manner consistent with US security. Equally important is the ability to pursue the US strategy of engagement and enlargement. The deployment of an engineer platoon to train in Mongolia went unnoticed here, but the school that was built was big news in Ulan Bator. Similarly, 61 soldiers in South America were the difference between peace and a border war between two US trading

partners there. There are many such actions -- daily advancing the security interests of the United States.

The US Army is meeting current commitments, but requirements are still rising. General Sullivan told you requirements have risen 300%. I agree with his estimate and, if anything, requirements continue to increase. I have already discussed the numbers of soldiers deployed and missions performed worldwide. As the world's remaining super power, our participation in operations to reassure warring parties is the only path to peace in many parts of the world.

All of this is a lot to ask from an Army whose active component personnel, if assembled in Washington, would fit inside the Mall between the Lincoln and Washington Monuments. Today's Army is the best in the world, but certainly not the largest. The active component is the eighth largest in the world, right behind Pakistan. To execute the National Military Strategy, we should not get any smaller. Numbers matter.

The Army is working to ensure balanced, capable land forces in the future. Army warfighting experiments address mechanized and light warfare as well as command and control and the needs of the individual soldier. Our Force XXI process is showing us better ways to structure our forces for the future. We do not have all the answers yet, but these experiments will continue to guide us toward the most effective systems, organizations and training techniques. Our goal is to enhance warfighting capability by making faster and better decisions at each level of the chain of command and making soldiers more capable of accomplishing their missions at the lowest risk.

Modernization Requirements

The Army has maintained current readiness, in part, by deferring modernization and redistributing modernized equipment across the smaller force. Further deferral of modernization will incur significant risk to future readiness. With a smaller Army, every unit must be able to execute a full range of operations. Our heavy units are general purpose forces that not only can win our wars but can also accomplish other missions, as the First Armored Division has shown in Bosnia. We must modernize their equipment to deter mid and high intensity conflict. Light forces also need the advantages available from information age equipment to enhance their lethality and survivability for the challenges of this unstable world.

Increased production and trade in modern Soviet style equipment affords other nations a chance to field armies with advanced technical capabilities. We must continue to produce and field adequate modern equipment or we risk seeing our systems simply wear out. At the current rate of replacement our tank fleet will not be completely modernized for 40 years. Even the most capable equipment model becomes less desirable when operating beyond its life cycle.

We need to modernize to protect our soldiers. Soldiers with a technological advantage are not just more capable, they are more survivable. The American people expect us to achieve our missions decisively with minimum losses. Providing soldiers the modern equipment they need helps to give them the edge. We cannot defer this until conflict seems inevitable. It is the irony of deterrence that we will be challenged when least ready. The FY 97 Budget reflects the Army's minimum requirement for modernization. Further reduction in modernization would put the Army's long term readiness at risk.

Some have called for personnel reductions to pay for modernization, but further personnel reductions would incur additional risk. Not only would the Army's ability to execute the National Military Strategy be impaired, the long term viability of the force could be placed at risk. The Army must maintain sufficient structure to execute assigned missions without placing excessive burdens on soldiers and families. Adequate and balanced force structure allows the Army to support and reassure allies in peacetime without compromising its ability to deter regional conflict or requiring it to deploy soldiers so often and so long that it creates hardships for their families. Rather than cut structure, the Army is reexamining and reengineering systems to save money and provide funds needed for modernization.

Reengineering Efforts

The Army has embarked on an ambitious campaign to become the most efficient organization possible and free up resources for modernization. To achieve balance, the Army is pursuing initiatives and efficiencies throughout the breadth and depth of our operation. Nothing is off limits. We are conducting a functional area analysis of every aspect of the Army, from the fighting force to the infrastructure. The institutional Army, Department of the Army Headquarters, Major Commands, and all our business-like practices are being looked at under a microscope. This is our effort to reorganize and redesign the Army for the world we see in the twenty-first century. However, I must tell you that legislated restrictions, such as those

restricting the amount of depot maintenance that can be privatized, limit our potential in this area.

The Army is also conducting a thorough review of development and acquisition programs. The Army will be retiring some older equipment without immediate replacement and accepting the attendant risks. We are doing this to save the exorbitant maintenance costs of these older items. Our intent is to apply these dollars to systems for Army XXI, the force of the Twenty First century. We are making tough choices in the allocation of limited resources. The Army must do this to ensure readiness in the next century. The Army cannot continue to invest both in legacy systems and in replacement systems. Rather than stretching out systems to uneconomic rates of production, we have cut whole systems. We are attempting to maintain economic production of the essential systems we need and can afford. The alternative, deeper cuts in structure, would have resulted in greater capability shortfall in the force.

Risk

As I have stated the Army is trained and ready today, but there is one area of short-term risk and two significant long-term risks. Let me talk to you first about the short-term risk.

The most significant short-term risk is the impact of the unprogrammed costs of Operation Joint Endeavor. If the Army were required to resource Operation Joint Endeavor in Bosnia, funds would have to be reprogrammed from operations and maintenance accounts. By our estimate this would eliminate fourth quarter training for units not directly involved in the ongoing operation. The loss of training would reduce our ability to react to regional contingencies. The units concerned would require additional training time to achieve the required readiness level once resources become available. The Army needs the supplemental funding and reprogramming that has been submitted to fund Operation Joint Endeavor in Bosnia.

The greatest potential threat to Army readiness is the medium and long term impact of an increased operational pace and insufficient modernization funding. Requirements in this uncertain world have increased while personnel authorizations and financial resources have declined.

The first risk is that by failing to modernize and update our equipment, we put tomorrow's soldiers at risk. In the event of conflict, a lack of modern equipment will cost the lives of brave soldiers. Speaking of our failure to

modernize after World War II, General Creighton Abrams said, "We paid dearly for unpreparedness during those early days in Korea with our most precious currency -- the lives of our young men. The monuments we raise to their heroism and sacrifice are really surrogates for the monuments we owe ourselves for our blindness to reality, for our indifference to real threats to our security, and our determination to deal in intentions and perceptions, for our unsubstantiated wishful thinking about how war could not come."

The second risk is more difficult to assess or to quantify, the risk of loss of future leadership. In the Army today there are hundreds of young soldiers who will be the platoon sergeants of 2010. They will set the standards of readiness and training, and will set the conditions for the success and survival of the Army in future combat. Those soldiers are out there today serving their country proudly. They are training hard and learning well. They may have deployed to Haiti or Guantanamo or both, and may be in Bosnia today. Those soldiers are proud of their units' accomplishments and most want to continue in the Army. But those soldiers have personal goals as well, most notably the desire to have and raise a family.

Excessive time away from home is often cited by quality professionals as the reason for their decision to leave the military. The Army has adapted personnel practices to assure that individual soldiers do not bear a disproportionate share of these requirements and has increased reliance on our Guard and Reserve forces for deployment missions. Still, it is common to find soldiers in today's Army that have been away from home, answering the nation's call for 140, 160 or 190 days of this past year. These soldiers do not complain but proudly perform magnificently every day. It is also not uncommon to see spouses who, though proud and supportive of their soldier's past service, believe they have done their part. All our research shows the spouse to be the most important factor in a soldier's decision to stay in the Army. The Army's future depends on our ability to retain the best soldiers to be tomorrow's leaders.

The Army must have soldiers in sufficient numbers to meet our commitments without placing excessive burdens on individual service members. It is crucial that the Army maintain balanced capabilities, and quality soldiers are the foundation of those capabilities. The country owes its soldiers a quality of life sufficient to raise their families successfully and with dignity. We should do no less.

Quality of Life for Soldiers and Families

I want to reiterate what the other Chiefs and I have agreed are the critical elements of quality of life initiatives that are necessary to retain quality soldiers:

- Pay -- Maintain fair and adequate compensation.
- Retirement -- Preserve the retirement system.
- Medical -- Quality medical care through TRICARE.
- Housing -- Safe and affordable places to live.

Closing

I thank you for your kind attention and I would like to conclude with this observation. The Army needs to maintain sufficient force structure and capabilities to respond to the missions assigned. Inside the Army we have sought to keep things in balance. Our objective is to get the right balance between readiness, force structure, modernization, and quality of life. The Army has retained a trained and ready force through the post Cold War drawdown for the first time in history. America's Army is trained and ready today and is working hard to meet the inevitable challenges of tomorrow and the twenty first century. The American soldier is the finest in the world. Soldiers are our credentials.

The CHAIRMAN. Thank you.
Admiral Boorda.

STATEMENT OF ADM. MICHAEL BOORDA, CHIEF OF NAVAL OPERATIONS

Admiral BOORDA. Good morning, Mr. Chairman.

I also have a statement for the record which I would like to submit and then make just a few brief remarks this morning.

The CHAIRMAN. Without objection.

Admiral BOORDA. I would like to talk really about three things in this oral statement: First, about what we are doing in ongoing operations or very recent ones; second, a few facts regarding the Navy today; and then finally a few of the key points of our budget request; and I think in so doing I can respond to what you asked for in your opening statement.

It is not hard for me to find accomplishments of our people in that last year, and, as General Reimer said, I am very proud of our people as well. Last year we talked a lot about readiness: How ready were we going to be, and was that our first priority? In fact, we made it our first priority, and this past year showed that it worked. Let me give you a few examples.

Haiti is now essentially completed for the Navy, and an also difficult operation for us was Guantanamo. At the high point of Guantanamo, we had almost 50,000 migrants at that base. That is completed now. The families are returning. Many of them are back. School has started, and the base is returning to normal, but it does have the capability to surge again if it has to.

That was a difficult and different kind of task for our people. It was a joint task. All four services and the Coast Guard participated, and it was very well done. I am proud of them, and I know you are too.

Four deployments are our stock in trade. That is what we in the Navy and in the Marine Corps do. On any given day, about 25 percent of our ships are forward deployed. I mean deployed for 6 months away from home, not just a short, temporary, additional duty. And about 50 percent of our ships are under way doing training, getting ready to deploy, or actually deploying.

I checked this morning before I came over here just to see if today was a typical day; 28 percent of the Navy is forward deployed as I speak this morning, and 55 percent of our Navy is under way. That gives you some feel for the operations tempo that we are facing.

Let me talk a little bit about some of those underway people, and, again, I could give you lots and lots of examples; I will just mention a few.

First of all, there is nobody here who didn't hear about the USS *Kearsage* last summer in the Adriatic when Capt. Scott O'Grady of the Air Force was shot down, and I mention that only because the embarked Marines did a great job. They did a fantastic job, and, had that amphibious group and the Marines not been forward deployed, it wouldn't have worked.

So, working together, our two services are out there and ready to react on a moment's notice or, in this case, on a couple of hours' notice. That was a great job by two services working together.

This past year we also had an aircraft carrier called the *Theodore Roosevelt* deployed. They went down into the Persian Gulf because Saddam Hussein was doing some things that gave all the chiefs and our civilian leadership cause for concern, and then they were brought back to the waters off of Bosnia because that was heating up. And then, you will recall—this was all in one carrier's deployment. And then, you will recall that Saddam Hussein's son-in-law defected to Jordan. About that time, Jordan wanted some reassurance from the United States.

The question went out: Where is the nearest carrier? I will also add, it went out: Where is the nearest amphibious readiness group with its Marines? And *Theodore Roosevelt* was moved very quickly to the eastern Mediterranean on the first day, on arrival, flying over Jordan, exercising with the Jordanian Air Force, a signal nobody could miss, particularly Saddam Hussein.

At the same time, the USS *New Orleans* and her ships moved up in the Red Sea into the Gulf of Aqaba, and their Marines, the Marine Expeditionary Unit, moved ashore to train with the Jordanians on Jordanian soil. Once again, a signal nobody could miss. And that turned out pretty well because nobody fought anybody, and isn't that what deterrence is about, after all? We couldn't do that if they had not been forward deployed.

But that does not end *Teddy Roosevelt's* deployment. You will recall in Tuzla, when they had a tragic incident and several civilians were killed, much like the one I remember when I was stationed in that region in February 1994 in the Sarajevo marketplace. This time, we and our allies responded, and *Teddy Roosevelt* was ordered to steam back to the Adriatic, and on arrival 39 hours after getting the order, she began to launch strikes.

Now, she doesn't do that by herself. Marine Corps and Air Force aircraft and our allies joined in, or, perhaps better said, we joined with them. That worked very well. Precision guide weapons, lessons we had learned from the gulf war, worked, and it became clear after a while that some more needed to be done.

We knew that should our aircraft have to go against targets in the Banja Luka area up in northwestern Bosnia, that there was a pretty good air defense system there and that the pilots would run a greater risk than what they were doing.

The *Normandy*, an Aegis cruiser, just happened to deploy with the *America* and arrive in the Adriatic. Within the first couple of hours of being in the Adriatic, they got the call from the battle group commander on *Teddy Roosevelt*, not even the carrier they worked up with, and he said shoot 13 missiles at the command and control sites and air defense sites in northwest Bosnia.

Four and a half minutes is how long it took to shoot those 13 missiles, 90 percent accuracy, and that is a lot better than we had planned for that weapon system. It is getting better and better. And they shot the eyes and the thinking out of the Bosnian Serbs with those missiles.

That was followed up immediately by Air Force, Marine, and Navy aircraft, and the Bosnian Serbs, along with the others, found themselves in Dayton.

Now, we talk about OPTEMPO and PERSTEMPO and how long our ships are away. We were really committed to getting *Teddy*

Roosevelt home on time even though she was fighting. Her aviators were going over Bosnia and dropping weapons. So we deployed the *America*. She steamed across the Atlantic quickly. She arrived on station, began bombing the first day, and *Teddy Roosevelt* got home on time.

That is a Navy that can do what it is supposed to do, and it is ready, but it is stretched when it has to do it that way, there is no question about that. That is a lot of hands-on stuff to get those people home on time.

When United States forces entered Bosnia—in fact, even before they did—our Seabees went with them. Those were forward deployed Seabees. They moved from Rota, Spain, with no need for any other outside support, and began working with the Army and building with the Army, and I think that went pretty well, and I know Denny would agree with me.

And, you know, I can't talk about Navy readiness without talking about Admiral—he likes to call himself—Leighton; I call him Snuffy, Adm. Snuffy Smith, who is commanding the whole thing on the ground in Sarajevo, and he is part of our readiness too. But today, as I speak, we are getting a chance to prove it one more time.

The *Independence*, which was supposed to be in port in Yokosuka, one of our aircraft carriers is on station about 100 miles east of Taiwan. Her battle force is with her, and one of the ships is an Aegis cruiser, *Bunker Hill*, a ship like *Normandy* I talked about a little while ago.

Bunker Hill has tracked each of those four, and there was a fourth one yesterday, missiles that came out of China and landed in the areas near Taiwan. They tracked those missiles automatically with their Aegis system as they lifted off from China, broke the radar horizon, they tracked them up at 6 and 700,000 feet at speeds approaching mach 4—in fact, sometimes exceeding that—and all the way to splashdown. That system works as advertised, and the sailors out there know how to make it go.

As we speak, the *Nimitz* has been ordered with some of her battle group ships to leave the Persian Gulf and head to waters off of Taiwan. She was there doing the jobs we need done in the Persian Gulf. This is a higher priority.

At the same time, the priority in the Persian Gulf was not deemed to be low enough that we didn't have to cover it, and the *George Washington*, our deployed carrier in the Mediterranean, is steaming towards the Suez Canal and will shortly go through and become the central command carrier.

That is readiness, and it is flexibility, and it is stretching the force.

I guess I have told you the Navy of today is ready and I am proud of it, but I want to tell you something else. Our men and women who serve in these ships and do the kinds of things I am talking about—and I have only talked about a sample of a year's worth of work—they don't ask you for very much, and they don't ask us for very much. They want and they require ships and weapon systems that are effective, and they need that not only today but they need it in the future. We talk a lot about quality of life;

that is the ultimate quality of life if you go in harm's way, and I think I have made it clear that we do that frequently.

They also ask for reasonable pay and benefits and housing and medical care and retirement, but, most importantly, they ask that those things be reliable and predictable and they don't have to worry about it all the time. And you can make a real difference there.

They also, Mr. Chairman, require sufficient force levels so that we can do everything I talked about and not overstress the people or the equipment. We will not go below the Bottom-Up Review. If you read other budget displays, it looks a little bit questionable about that. It is the way we wrote it, and we need to be more careful.

We include also in our Bottom-Up Review force our 18 reserve ships because we are employing the reserve ships to do real work every day. We have always done that, that is not a change, but we are real close to the Bottom-Up Review number now.

Our manpower is coming down. This year we are going to come down between 17 and 18,000 people. I must tell you that is planned. That is to go to our Bottom-Up Review number, and we are phasing in our reductions over several years to be fair to our career people. And I want to do it that way, but we cannot go below the Bottom-Up Review number, and we simply cannot do what we are doing if we do that.

Given the fiscal resources available to us, I think we have asked for modest but critically needed acquisition. This year, because we only, although you authorized four destroyers—three destroyers, excuse me, they only appropriated enough money for two and a little bit more. So this year, to maintain the balance in that program, we have asked for four, and what we will do then is have three in each year. In 1996 we will contract for that one, and then in 1997, with an authorization and funding for four, we will be able to spread those six ships over 2 years.

We need to look ahead to 1998 because we only have enough money for two out there, although we are working that budget hard, even as I speak, in the Pentagon.

The F-18 E/F, I hope you want to talk about it a little more. That airplane now is the fighter, tactical fighter, in production in the United States, delivered on time, actually a little bit early. It is at Patuxent River now and testing. It is a thousand pounds underweight, which my aviator friends will tell you that is real important at this phase of testing and a little bit unusual, and it is doing everything it is supposed to do. We are asking for the first 12 in this budget to get on with the program for the future.

Submarine shipbuilding is something we need to talk about. We made great strides last year, I think, in having a plan for submarine shipbuilding. We owe you a report on the 26th of March, and you will get it, and I hope we have a chance to talk about that today, because it is our future in that business and I think we can make great strides working together.

I guess basically I would like to finish by saying I am real proud of our Navy. The thousands and thousands, really hundreds of thousands, of men and women who are out there doing a job every day don't get much publicity, but if you watch CNN and look where

the hotspot is, you will find the Navy and Marine Corps right there.

Thank you.

[The statement referred to can be found on page 293.]

The CHAIRMAN. Thank you, Admiral Boorda.

General Fogleman.

STATEMENT OF GEN. RONALD FOGLEMAN, CHIEF OF STAFF OF THE AIR FORCE

General FOGLEMAN. Again, I have a written statement that I would request be submitted for the record and a few brief remarks that I would like to make.

The CHAIRMAN. Without objection.

General FOGLEMAN. First of all, I will tell you that my priority in this year's budget really falls in two areas, people and in modernization, and so while I will take a few moments, as my fellow chiefs have done, and describe for the committee what the Air Force looks like today and what it has been doing, I would like to return to those two subjects.

First of all, the Air Force today is just slightly under 395,000, on our way to an end strength of 381,000, which was the Bottom-Up Review end strength for the U.S. Air Force.

The fact of the matter is, you will see if you look out into fiscal year 1998 that the end strength of the U.S. Air Force drops below 381,000. In fact, it goes to about 375,000. That is a combination of force structure reductions that started a couple of years ago in weapons systems like the F-111, the C-141, C-130 weapon systems that we were in the process of downsizing or modernizing with more capable weapon systems.

At the same time, those numbers include plus-ups in things like the C-17, in the RVBIX joint program, in the joint STARS program. Additionally, you will find in those reductions, though, almost 3,000 numbers—3,000 personnel, the numbers of which represent, generally, efficiencies—ways we have gone in and cut headquarters, places where we have done military-to-civilian conversions, et cetera. So we are prepared to go in and show how that force structure has been adjusted.

We have, from the very beginning of the Bottom-Up Review, made no secret of the fact that the Air Force did not have the force structure required in the Bottom-Up Review. We had, in fact, fewer bombers called for, et cetera, and we have adjusted as we have gone from there.

What that has meant for us, though, is for our people—they have been looking for a period of stability. We accelerated our drawdown. We are in a period now where we are able to give them that stability because these additional reductions will come through normal personnel actions, recruitment, retention, retirement kinds of things.

We are an Air Force that has 81,000 people forward deployed, or forward assigned, every day in Europe, in the Pacific, in Southern Command. In addition to those 81,000 people, for instance, nearly 3,000 of them at Aviano. Many of you have been to Aviano. Mike Boorda likes the talk about his carriers. He is very proud of them. He ought to be proud of them; they are a great weapon. Aviano is

a great Air Force carrier, if you will, stationed right there in the Adriatic, never has to steam back and forth, is there day in and day out.

Those people work their duffs off out there in support of this operation, just as the people at Incirlik do, the people at Osan, the people at Howard Air Force Base. These are forward deployed people who are very much a part of an effort like we saw in Bosnia, a joint effort, if you will. Of course, the commander of that whole operation over there from the air was Lt. Gen. Mike Ryan, the guy who gave the order that sent those Tomahawks on the way as part of an integrated war plan that we had in that theater of operation.

But the fact of the matter is, in addition to the 81,000—and this morning I checked the op summary and there were some 9,300 people out there, TDY. They will be away from home anywhere from 60, 90, to 180 days this year, supporting operations. Many of them are going to be in what we call the reconnaissance, surveillance, and intelligence platforms. The RUBIX joints, the compass call airplanes, the U-2's, the things that the theatre CINC's want and want immediately when they want to have information dominance in an area they are going to operate in.

So along with Mike's carrier operations out there in the Pacific, we have the RUBIX joint airplanes out there that are collecting, so that we know what is being said, so that we understand what is going on inside the system that we need to know about so we can provide that to the decisionmakers. So these are assets that are being used all around the world by people that I am very proud of and you should be very proud of.

I switched to modernization. When I talk about modernization, it is clear that in this budget we have a fiscally constrained modernization program, and clearly it doesn't meet all the needs of the war fighters that are out there. We are asking—the war fighters are asking for more assets in the theater than we can provide and keep an OPTEMPO of a reasonable state for our people, but what we have provided is a budget that has, we think, balance; that is, we accept some risk in it. If there were more money, there are more than enough appropriate places that money could be spent. But within a fiscally constrained environment, we think we have given a pretty balanced budget.

Within modernization, just to talk about a couple of our programs, C-17. I think that has been a very great success story, well supported by this committee. And during the past year it had really its inaugural operations in Bosnia where it turned out to be a tremendous workhorse. In one day we were able to move 15 Bradley fighting vehicles into Tuzla. When the Army ran into some difficulties bridging the Sava River, due to the flood beyond their control, and they needed extra bridging material, we had an aircraft that you could load those oversized bridge spans on, fly them into Hungary and get them down to the engineers very, very quickly. So it is an aircraft that has received its baptism, if you will, very quickly and has proven to be very, very effective.

We see a big turnaround in the contractor and in the procurement and on the price of that aircraft, but we have an opportunity to save nearly another billion dollars if we can get approval for a multiyear program by the 1st of June of this year. And so that is

a program that is over on the Hill, and we are hopeful that we can get support for.

We also are involved in continuing to upgrade our conventional bomber force out there, both the B-1, the B-52, and the B-2's that we have in the force. We have in this modernization program money for precision munitions to make these systems more effective, and these are precision munitions that don't come at the cost of a million or a million-and-a-half dollars a shot. We are talking about success stories like the joint direct attack munition that initially started out at about—we thought, best estimate, we might be able to buy this thing for \$40,000 a copy. Due to acquisition reform, we have been able to get the price of this thing down to \$14,000. It is a tremendous high-leverage weapon.

In space, we are continuing to work on cheaper, more reliable, more responsive launch systems. The expendable launch vehicle, Mike talked about how the Aegis cruiser out there can track these missiles as they launch out of someplace. There are lots of places in the world where missiles will be launched, and unfortunately, we will not have the Aegis cruiser there. So just as those missiles are being tracked in China with the Aegis cruiser, they are also being tracked by the Defense Support Program, the DSP satellite from space.

And so it is a system, though, that really is decades old that needs upgrading. So we have a program called Space Based Infrared System that will do that, will give us better infrared and geo-location types of signals. So that is in our program and we would request support on that.

We are also supporting our Special Operations Forces, because they have been deployed in all these operations over the past year around the world—in the Middle East, in Bosnia, as we speak, they are sitting in Italy today engaged in Bosnia. So we have the C/V-22 in there as one of our programs.

And then another modernization priority that has gotten a lot of attention through somewhat, I consider to be, rather faulty labeling here lately; and that has to do with something that is extremely important to all three of us here, TACAIR modernization.

I have seen some headlines that scream TACAIR modernization takes 45 percent of DOD budget. That is absolutely false. When you go in and you look at the percent of the DOD budget that TACAIR modernization takes in this particular budget, it is less than 10 percent of the total DOD expenditures in the procurement area. But it is clearly an expensive proposition and something we need to pay attention to, and hopefully we will discuss more as we go through.

So personnel and modernization, these are our two priorities. They are priorities that this committee has historically supported. I would like to thank you for your support last year, both in your quality-of-life initiatives, particularly within the MilCon area. Folks would like to sometimes describe these plus-ups in quality of life as unnecessary, but the fact of the matter is, the plus-ups that we saw in MilCon last year were accelerations of things that our people would have had to wait for, so we did not see that as wasteful.

We saw that the plus-ups in the procurement accounts were measured, and they are the kinds of things that help us with that procurement that we see out there in the future. So we welcome the opportunity to work with you as we go down the road.

In summary, you have a very ready Air Force. You have an engaged Air Force. You have an Air Force that has been operating the equipment that you have given to us. We think we have done that in a joint fashion in support of our national military objectives. I look forward to taking the questions from the members later. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

[The prepared statement of General Fogleman follows:]

MARCH 13, 1996

**STATEMENT OF GENERAL FOGLEMAN
TO THE
HOUSE NATIONAL SECURITY COMMITTEE**

Introduction

Good morning, Mr. Chairman and Members of the Committee. I welcome this opportunity to discuss our plans to modernize our force and support the men and women of the nation's Air Force--the world's premier air and space force. To maintain this air and space advantage, we have built a comprehensive, time-phased modernization plan to meet the needs of the National Command Authorities (NCA) and the Commanders-in-Chief (CINCs). With your support, we will achieve these objectives and preserve an acceptable quality of life for our people. Your support will ensure the Air Force continues to provide strong and credible airpower options in pursuit of our nation's security goals.

As we approach the fiftieth anniversary of our Service, we are proud and honored to say: we are the nation's Air Force--the only American military institution organized, trained, and equipped solely to exploit air and space power in the defense of our nation. We exist to fight and win our nation's wars. We provide national presence and influence in every part of the world. To that end, we are dedicated to providing America the most capable and efficient air and space forces possible--today and in the future. As a direct result, our forces give dominant warfighting capabilities to the U.S. CINCs. Specifically, the Air Force provides the joint force commander with a broad range of air and space capabilities, to include: *Air Superiority, Space Superiority, Global Mobility, Precision Employment, and Information Dominance.*



BIOGRAPHY

UNITED STATES AIR FORCE

Secretary of the Air Force
Office of Public Affairs
Washington, D.C. 20330-1690

GENERAL RONALD R. FOGLEMAN

General Ronald R. Fogleman is chief of staff of the U.S. Air Force, Washington, D.C. As chief, he serves as the senior uniformed Air Force officer responsible for the organization, training and equipage of 800,000 active duty, Guard, Reserve and civilian forces serving in the United States and overseas. As a member of the Joint Chiefs of Staff, he and the other service chiefs function as military advisers to the secretary of defense, National Security Council and the president.

The general graduated from the U.S. Air Force Academy in 1963. In early assignments he instructed student pilots, performed combat duty as a fighter pilot and high-speed forward air controller in Vietnam and Thailand, was a history instructor at the Air Force Academy, and conducted flight operations in Europe—including duty as an F-15 aircraft demonstration pilot for numerous international airshows. Most recently he flew tanker and airlift aircraft. Over the past decade, he commanded an Air Force wing and air division, directed Air Force programs at the Pentagon, and served as commander of the Pacific Air Forces' 7th Air Force, with added responsibility as deputy commander of U.S. Forces Korea, and commander of Korean and U.S. air components assigned under the Combined Forces Command. Prior to becoming chief of staff, he was commander in chief of the United States Transportation Command, and commander of the Air Force's Air Mobility Command.



General Fogleman and his wife, Miss Jane, have two sons.

EDUCATION:

- 1963 Bachelor of science degree, U.S. Air Force Academy
- 1971 Master's degree in military history and political science, Duke University
- 1976 Army War College, Carlisle Barracks, Pa.

ASSIGNMENTS:

1. June 1963 - September 1964, pilot training, 3576th Student Squadron, Vance Air Force Base, Okla.
2. September 1964 - May 1967, T-37 flight training instructor, 3575th Pilot Training Squadron, Vance Air Force Base, Okla.
3. May 1967 - December 1967, flight examiner, 3575th Pilot Training Wing, Vance Air Force Base, Okla.
4. December 1967 - June 1968, F-100 combat crew training, Luke Air Force Base, Ariz.
5. June 1968 - December 1968, F-100 fighter pilot, 510th Tactical Fighter Squadron, Bien Hoa Air Base, South Vietnam
6. December 1968 - April 1969, Operation Commando Sabre F-100 forward air controller, 37th Tactical Fighter Wing, South Vietnam
7. April 1969 - September 1969, F-100 fighter pilot, 510th Tactical Fighter Squadron, Bien Hoa Air Base, South Vietnam
8. September 1969 - December 1970, student, history preparation for U.S. Air Force Academy instructor, Duke University, Air Force Institute of Technology, Wright-Patterson Air Force Base, Ohio
9. December 1970 - April 1973, history instructor, U.S. Air Force Academy, Colo.

10. April 1973 - August 1974, F-4D/E flight commander, 421st Tactical Fighter Squadron, Udon Royal Thai Air Force Base, Thailand
11. August 1974 - July 1975, chief, rated officer career planning section, Headquarters Air Reserve Personnel Center, Lowry Air Force Base, Colo.
12. July 1975 - August 1976, student officer, U.S. Army War College, Carlisle Barracks, Pa.
13. August 1976 - February 1978, assistant deputy commander for operations, later, chief of the standardization and evaluation division, 36th Tactical Fighter Wing, Bitburg Air Base, West Germany
14. March 1978 - June 1979, deputy commander for operations, 32nd Tactical Fighter Squadron, Camp New Amsterdam, Netherlands
15. June 1979 - August 1981, chief, tactical forces division, directorate of programs, Headquarters U.S. Air Force, Washington, D.C.
16. August 1981 - June 1982, vice commander, 388th Tactical Fighter Wing, Hill Air Force Base, Utah
17. June 1982 - March 1983, director of fighter operations, deputy chief of staff, operations, Headquarters Tactical Air Command, Langley Air Force Base, Va.
18. March 1983 - August 1984, commander, 56th Tactical Training Wing, MacDill Air Force Base, Fla.
19. August 1984 - March 1986, commander, 836th Air Division, Davis-Monthan Air Force Base, Ariz.
20. March 1986 - January 1988, deputy director, programs and evaluation, Office of the Deputy Chief of Staff, programs and resources; chairman, Programs Review Council, Headquarters U.S. Air Force, Washington, D.C.
21. January 1988 - June 1990, director, programs and evaluation, and chairman, Air Staff Board, Headquarters U.S. Air Force, Washington, D.C.
22. July 1990 - August 1992, commander, 7th Air Force, deputy commander in chief, United Nations Command; deputy commander, U.S. Forces Korea; and commander, Republic of Korea/U.S. Air Component Command, Combined Forces Command, Osan Air Base, Korea
23. August 1992 - October 1994, CINCUSTRANSCOM; commander, AMC, Scott Air Force Base, Ill.
24. October 1994 - present, chief of staff, Headquarters U.S. Air Force, Washington, D.C.

FLIGHT INFORMATION:

Rating: Command pilot, parachutist

Flight hours: More than 6,300

Aircraft flown: T-37, T-33, F-100, F-4, F-15, F-16, A-10, UH-1, C-21, C-141, C-5 and C-17

Pilot wings from: Republic of Korea

MAJOR AWARDS AND DECORATIONS:

Defense Distinguished Service Medal with oak leaf cluster

Distinguished Service Medal

Silver Star

Legion of Merit with oak leaf cluster

Distinguished Flying Cross with oak leaf cluster

Purple Heart

Mentioned in Service Medal

Air Medal with 17 oak leaf clusters

Aerial Achievement Medal

Air Force Commendation Medal with two oak leaf clusters

Vietnam Service Medal with three service stars

Order of National Security Merit, Kooksoo

Republic of Vietnam Gallantry Cross with Palm

OTHER ACHIEVEMENTS:

Fellow, Inter University Seminar on Armed Forces and Society

Member, Council on Foreign Relations, New York City

Lance Sijan Award for leadership

EFFECTIVE DATES OF PROMOTION:

Second Lieutenant	Jun 5, 1963
First Lieutenant	Dec 5, 1964
Captain	Mar 10, 1967
Major	Mar 1, 1971
Lieutenant Colonel	May 1, 1975

Colonel	Jan 1, 1980
Brigadier General	Oct 1, 1985
Major General	Feb 1, 1988
Lieutenant General	Jul 1, 1990
General	Sep 1, 1992

(Current as of May 1995)

The warfighting advantages the nation's Air Force brings to the joint table spring from the expertise and dedication of our people and the technological edge we maintain in our force structure. Our well educated, technically competent, and highly motivated men and women are committed to keeping this great nation strong and free. That is why we consistently invest in cutting edge technologies that exploit the inherent operating advantages of air and space. The synergy of our dedicated, professional people and our technologically advanced force structure produces a distinct perspective on how best to apply military power through the all-encompassing air and space media. This global perspective provides our national leadership a more versatile range of military options--options that place fewer American lives at risk--to accomplish security objectives.

The Nation's Air Force

Airpower increases the alternatives available for all Service components so they can fight effectively and respond quickly to changing circumstances. Airpower can selectively degrade or erase the capabilities that support an enemy's war effort, thus diminishing or eliminating an opponent's options and ultimately defeating his strategy. This ability to limit enemy options, while simultaneously boosting the effective combat power of all our forces, makes U.S. air and space power a dominant force in its own right, as well as an indispensable force multiplier in modern combat.

The nation's Air Force is ideally suited for the challenges posed by today's security environment. Our men and women have built upon our investment in technology to create robust air and space forces capable of achieving decisive advantages against potential aggressors. As a result, your Air Force is first to arrive and first to fight. We

provide global situation awareness. We employ while others deploy. We carry the critical leading-edge components of our country's land forces to the fight and control the air to provide all forces freedom of maneuver. We sustain military forces during the fight and contribute decisive air and space assets across the theater and around the globe.

Expertly trained and highly skilled men and women are the backbone of the nation's Air Force. Today, our Service has 396,000 members on active duty, 188,000 members in the Air National Guard and Air Force Reserve, and 186,000 civilians. This year, 81,000 are forward stationed overseas and on average nearly 13,000 airmen are deployed in support of exercises and contingencies worldwide. Of that latter group, nearly 9,000 are currently deployed, and we anticipate that number increasing as we support major contingency operations overseas, such as Operation JOINT ENDEAVOR, and Air Expeditionary Force (AEF) deployments. These forces demonstrate U.S. commitment and resolve--not over the horizon, but in direct contact--24-hours a day.

When called, the talented and professional men and women of the nation's Air Force respond. During the past year, that meant delivering medical supplies to Albania, flood relief to Germany, and earthquake relief to Japan. It also included supporting United Nations (UN) mandates in Operations DENY FLIGHT, PROVIDE PROMISE, DELIBERATE FORCE, and JOINT ENDEAVOR over Bosnia; Operation PROVIDE COMFORT over Northern Iraq; Operation SOUTHERN WATCH over Southwest Asia; Operation SAFE BORDER patrolling the border separating Ecuador and Peru; Operation JTF-BRAVO in Honduras; Operations UPHOLD DEMOCRACY and SEA SIGNAL in the Caribbean; and supporting the UN Mission in Haiti.

The Air National Guard and Air Force Reserve have played an important role in supporting contingency operations. As the pace of operations increase, we rely even more on our Air National Guard and Air Force Reserve partners. They serve side-by-side with active duty airmen, performing the full range of missions that support joint and multinational operations. Theater commanders welcome the contributions of our Guard and Reserve units because they know these outfits are well equipped and expertly trained. With the dedication of our citizen airmen and with initiatives like associate flying programs, the Air National Guard and Air Force Reserve are integral to the success of the Total Force.

Air Force civilians are also key members of our Total Force team. From the flightline to the control room to the launch pad to the headquarters, our civilians give us functional expertise and institutional stability--they are our corporate memory. Some deploy with our combat forces, while others provide stability at home as our military forces deploy. In addition, as service members move between assignments, our senior civilians provide continuity in leadership, particularly during periods of high turnover. Together, we will carry the nation's Air Force into the next century.

Global Reach-Global Power

Whether conducting operations in peacetime, in times of crisis, or in war, we are fully committed to supporting the CINCs--the nation's warfighters. The air and space capabilities our airmen bring to the joint team are in higher demand than ever. We have maintained these capabilities even while reducing our overall force structure. We succeeded because we started with a clear strategic vision. That vision, *Global Reach-*

Global Power, sharpened our focus on our core air and space contributions to the National Military Strategy, allowing us to prioritize our modernization investments and shape our force drawdown.

The principles underlying *Global Reach-Global Power*--Sustain Deterrence, Provide Versatile Combat Forces, Supply Rapid Global Air Mobility, Control the High Ground, Build U.S. Influence--proved successful during Operations DESERT SHIELD and DESERT STORM. Since then, that national strategy has been more rigorously tested by global involvement in operations in Bosnia, Iraq, Rwanda, Somalia, and Haiti. It has also been tested here at home in California, Texas, Florida, New York, Oklahoma, along the banks of the Mississippi and Missouri Rivers, in Puerto Rico, and elsewhere, fighting fires, delivering relief supplies, and responding to natural disasters. Reflecting an operations tempo (OPTEMPO) far beyond our Cold War norm, these and other operations involve tens of thousands of flying hours and the sacrifices of many military members and their families. With these as examples, we remain confident that Air Force capabilities will continue to serve our nation well into the next century.

Consequently, with last year's updated National Military Strategy, focusing on "flexible and selective engagement," we are more certain than ever that our guiding construct hit the mark. Today, the nation's Air Force--Active, Guard, Reserve, and civilian--is fully prepared to fight and win our nation's wars. Since the 1992 update of our vision, we have added Information Dominance to the original five objectives to explicitly reflect the importance the Air Force places on controlling and exploiting information.

These six objectives serve as the building blocks we use for planning and programming future forces.

Sustain Deterrence

Our air and space forces are key to deterring hostile actions against the United States, our allies, and our vital interests. This is as true today as it was during the Cold War. Nuclear deterrence remains the cornerstone of national security. We provide the National Command Authorities a ready and responsive ICBM force in addition to a nuclear-capable, long-range bomber force. We also provide a reliable warning network, a secure and survivable command and control capability, an effective attack characterization and assessment capability, and dependable strategic reconnaissance platforms. All these assets contribute to the credibility and effectiveness of America's nuclear deterrent force.

Our versatile fighters and long-range bombers also offer the nation a strong, credible conventional deterrent. Their conventional munitions can stop an aggressor in his tracks. Our bombers can employ while other forces are still deploying. Conventional upgrades to our bomber force combined with acquisition of a family of smart munitions, particularly the Joint Direct Attack Munition (JDAM), Joint Stand-off Weapon (JSOW), and Joint Air-to-Surface Stand-off Missile (JASSM), will enable our forces to attack a variety of targets anywhere in the world, day or night, in good weather or bad, within hours of tasking.

Provide Versatile Combat Forces

The Air Force offers the quickest response and longest range forces available to the President in a fast-breaking crisis. We can deter, deploy for influence, or rapidly employ with lethal force anywhere in the world. Air Force bombers can launch from the U.S. and reach any point on the globe with precise, lethal strikes in 20 hours. We vividly demonstrated our long reach in July 1995 when the men and women of Dyess AFB, Texas, launched and recovered two B-1s that flew non-stop around-the-world while delivering ordnance on military training ranges in Italy, Korea, and Utah.

Our bomber roadmap is coming together. With continued upgrades, our planned bomber force of B-52s, B-1s, and B-2s will sustain deterrence, provide flexible, sustainable long-range combat power, and demonstrate resolve with their global presence capabilities well into the next century. As our highest mid-term modernization priority, the integration of precision munitions and other conventional upgrades to our bomber fleet will provide the U.S. with a high leverage force by the turn of the century. The B-2, for example, will have an accurate capability with the GATS/GAM (GPS-aided Targeting System/GPS-aided Munition) this July: furnishing us a near term capability to independently target 16 separate aimpoints on a single pass. Our modern bombers provide a force we can capitalize on for the defense of the nation, rapid crisis response, and warfighting. Air Force bombers provide the NCA with a unique long-range, lethal precision strike capability no other force can match.

Our rapidly deployable fighter forces provide us the staying power to overwhelm an opponent's forces, infrastructure, and command elements. To maintain the robustness

of our fighter forces and continue to support high-tempo, worldwide operations, we must continue our modest F-15E and F-16 recapitalization programs and fleetwide high-leverage system enhancement efforts.

In September 1995, NATO air operations in Bosnia--Operation DELIBERATE FORCE--once again proved airpower can have a decisive role when serving achievable, clear policy objectives. Airpower's efforts in helping to lift the siege of Sarejevo saved lives and helped pave the way for a negotiated settlement. Our successes over Bosnia have also demonstrated the expanded range of military options available to our nation's leaders when we have unquestioned air dominance.

Indeed, air superiority provides the shield that makes all other operations feasible. During World War II, all sides learned that air superiority was necessary to conduct ground operations successfully. From the beaches of North Africa and Normandy to the amphibious landing at Inchon, from the valiant defense of Khe Sanh to the famous "left hook" during the Gulf War--American air superiority proved vital. Maintaining air superiority in a major conflict or a lesser contingency requires operations deep within hostile airspace to eliminate enemy opportunities to conduct long-range reconnaissance, launch stand-off weapons, or to gain any other benefit from air operations. The F-22 incorporates revolutionary advances in airframe, engine and avionics technology, ensuring the Air Force retains the critical combat edge in air superiority.

The F-22 is the first--and the only to date--major weapons system designed to incorporate the full potential of the "Revolution in Military Affairs (RMA)." Today all the Services are seeking to understand the impact of the RMA. While others debate the

effects of the RMA, the Air Force is directly investing in it. Clearly, in contrast to other more evolutionary weapons programs, the F-22 represents a quantum leap in capability for the CINCs.

The F-22 will combine stealth, supercruise, and integrated avionics in a highly maneuverable platform that will be able to deploy rapidly to heavily defended enemy territory and achieve first-look/first-shot/first-kill. Stealth will enable the F-22 to gain surprise by entering combat undetected. Supercruise will allow the F-22 to range the battlefield rapidly and more effectively employ its weapons. Integrated avionics, including on and off-board multi-sensor collection and data fusion, will provide the pilot an unprecedented level of situational awareness. Two-dimensional thrust vectoring will greatly enhance the F-22's maneuverability, permitting a quick reaction to airborne and surface threats. Together, the F-22's stealth, supercruise, and integrated avionics will give America the most advanced, practical, and potent weapon system for ensuring freedom of operation and minimizing risk and casualties wherever military forces operate.

Many of the technological advances that are making the F-22 revolutionary also serve as critical components for the Joint Strike Fighter (JSF)—our F-16 replacement. Previously known as the Joint Advanced Strike Technology (JAST), JSF will likely serve as the foundation for other future aircraft designs. The F-22 and JSF will help us retain America's aerial combat advantage. So will improvements we are making to the current family of smart weapons.

In addition to advanced systems, we will continue to require fully trained, combat ready aircrews. To keep our forces fit to fight, we must have access to training ranges.

That access depends on cooperative use arrangements with those who have competing interests for the same land and airspace. For our part, we are committed to responsible custodial care, preserving the environmental and cultural uniqueness of our nation's resources. To guarantee that our combat aircrews remain prepared to meet the security needs of our nation, assured access to local training ranges and airspace is an Air Force priority.

Supply Rapid Global Air Mobility

America's air mobility fleet gives our nation the speed and agility to respond to the full range of contingencies--from airlifting or airdropping troops and equipment during a crisis to delivering supplies after a natural disaster. *No other nation in the world has this capability.*

Our airlifters and tankers offer the CINCs the ability to influence operations throughout the theater. Our air mobility aircraft can deploy fighting forces or provide humanitarian assistance worldwide. They enable support forces to remain airborne longer and combat forces to strike deeper. They airdrop or insert troops and equipment, sustain operations throughout the theater, provide lift for critical supplies, and provide emergency aeromedical evacuation.

To ensure we maintain these capabilities, we must modernize the fleet. Our workhorse for the last 30 years, the C-141, has served us well but is nearing the end of its service life. That is why the C-17 is our highest priority near-term modernization program.

The November 1995 Defense Acquisition Board (DAB) decision to procure 120 C-17s was the right one for the nation. The C-17 will ensure we can meet airlift requirements during major regional contingencies—especially during the crucial first 30 days. With its ability to operate from small airfields and in hostile environments, to deliver oversize and outsize cargo to forward operating areas, and to increase throughput to the region, the C-17 is an essential resource for the warfighter. It has already proven its worth in operations from the Caribbean to Bosnia.

In February, the DAB made another decision that is right for the nation: it approved a C-17 multi-year procurement plan. This seven-year contract completes the Air Force requirement for 120 C-17 aircraft at the lowest possible price—clearly, this is the best value for America. Acquisition streamlining initiatives have already dramatically reduced the cost of the C-17. This multi-year procurement proposal crowns our successful cost reduction effort. By providing contractors and subcontractors with a stable, extended buy profile, we will be able to obtain significant efficiencies over the course of this program. This contract, if approved, will save the nation nearly \$900 million.

We are also ensuring our other mobility assets remain viable. For example, we are modifying the Air Force's KC-135 air-refueling fleet and the C-5 force to improve performance, reduce maintenance required, and reduce operating costs.

Control The High Ground

The nation's Air Force exploits air and space to provide access to any point on the earth's surface. This capability gives us an extraordinary military advantage. Indeed, our

space systems have become an indispensable part of our versatile combat forces. For that reason, the Air Force is pursuing a number of key space modernization programs.

Not unlike the airlift needed to bring combat and support forces to the fight, spacelift deploys critical space systems into orbit. The nation depends on routine, affordable, and reliable access to space, but current spacelift is too expensive. The Evolved Expendable Launch Vehicle (EELV) program will provide affordable spacelift to military and commercial users. For the military, affordable spacelift will facilitate replacement of older space platforms, such as Defense Support Program (DSP), as they reach the end of their service life. In the case of DSP, we are already pursuing its replacement, the Space-based Infrared System (SBIRS) High Component, to meet the increasing demands of theater ballistic missile warning.

More than in most technical areas, space technology has historically seen a blurring of the lines between military and civilian use. The widespread commercial use of the Global Positioning System (GPS) is one example. In a bit of role reversal, however, the Global Broadcast System (GBS) is borrowing from commercial innovations to satisfy military requirements. As the DoD executive agent for multi-user space systems, the Air Force proposes to lead this fast track program through a series of three phases, including buying commercial direct-broadcast services, flying a GBS package on other DoD satellites, and finally launching our own objective system to fulfill all joint user wide band communication requirements. Managing the GBS program from within our Military Satellite Communications Program Office will ensure maximum synergy with other high

value military satellite communication programs, such as MILSTAR and Defense Satellite Communications System.

The establishment of the DoD Space Architect, to work closely with the Intelligence Community Space Architect, has been a key step toward a future, fully integrated space capability for the nation. This step, building upon previous close cooperation efforts like the SBIRS Study, holds the promise of reducing architecture costs and laying the groundwork for integrated development and acquisition of future space forces.

Ensure Information Dominance

Dominating the information spectrum has become as critical to warfare as occupying the land or controlling the air. In military operations, information is a weapon used not only to support other operations but also to attack the enemy directly. Within today's information domain, events are seen and felt at the speed of light. If we can analyze, assess, and act faster than our adversary, we will win. As the DoD executive agent for Theater Air Defense Battle Management Command, Control, Communications, Computers, and Intelligence (BMC4I), the Air Force commits time, energy, and resources to maintain this critical edge over potential adversaries.

At the heart of this process is information—collected, processed, and distributed through a joint BMC4I architecture. This “system of systems” consists of Air Force space platforms such as MILSTAR and GPS; aircraft such as the U-2, RC-135, Joint STARS, AWACS, and Unmanned Aerial Vehicles (UAVs); and ground command and control elements comprising the Theater Air Control System. During Operation DELIBERATE

FORCE, this integrated joint BMC4I architecture significantly increased the situational awareness of U.S. and NATO political leaders and military forces. This awareness improved our capacity to shape events on the ground and to respond rapidly as each situation required.

Rapid technological improvements in storing, processing, and disseminating data have sparked a greater emphasis on the role of information operations in warfare. The Air Force recently published *Cornerstones of Information Warfare* to provide a sound doctrinal basis for exploiting information capabilities while addressing our own vulnerabilities. The recently activated 609th Information Warfare Squadron at Shaw Air Force Base, South Carolina will be responsible to a Joint Forces Air Component Commander (JFACC) for coordinating a vast array of in-theater information requirements. It will orchestrate how we exploit information to support traditional operations, how we protect our own information architectures, and how we plan to attack an enemy's information capabilities. An important part of this squadron's responsibilities will include the ability to "reach back" for specific tools provided by the Air Force Information Warfare Center at Kelly Air Force Base, Texas and the Air Force Space Warfare Center at Falcon Air Force Base, Colorado.

Build U.S. Influence

The core capabilities provided by the Air Force allow the NCA to extend a helping hand, to use airpower for diplomatic and humanitarian purposes, and to support other U.S. objectives worldwide. Indeed, the first arrival of U.S. airlifters demonstrates commitment and resolve few can ignore. This presence is real and it extends across the

globe. To put it into perspective, in 1994 the U.S. Transportation Command (USTRANSCOM) executed the equivalent of five Berlin airlifts in support of operations in Somalia, Rwanda, Bosnia-Herzegovina, and Haiti. During the past year, we have kept up the same pace, supporting UN mandates in Iraq and Bosnia and conducting humanitarian mission around the world.

Global access and influence ultimately depend on the bonds of alliance and international cooperation. Partnership-for-Peace (PFP) is one of many initiatives the Air Force supports that underscore this conviction. The forward stationing of our forces, ongoing contingency operations, and multi-national exercises create numerous opportunities to strengthen alliances and project U.S. influence. The Air Force, through the Air National Guard, also supports the National Guard State Partnership Program, linking U.S. states to Central and Eastern European nations. These efforts join International Military Education and Training (IMET) and technical training initiatives, such as the Inter-American Air Forces Academy, and combine with the work our security assistance personnel and air attachés do around the globe to foster stability, sustain hope, and provide relief. Efforts like these are samples of Air Force programs that pay direct dividends by building trust and cooperation among our friends and allies.

Building the Future Air Force

As stewards of the nation's air and space forces, we have produced forces that are ready, versatile, and tailored to support our National Security Strategy. We will continue to execute our responsibilities with the disciplined approach we have followed in the past. This approach is based on four key commitments:

- We will define our operational requirements and provide national capabilities with a clear vision of what we contribute to the U.S. military's joint team.
- We will fill those requirements with a lean and agile acquisition system.
- We will recruit quality people and ensure they are trained and motivated to operate in a disciplined manner and to exhibit and respect Service core values.
- We will ensure our people and their families have the quality of life they deserve as they serve our nation.

Balanced, Time-Phased Modernization

In 1990, the Air Force undertook a thorough analysis of its future potential contributions to national security. The result was *Global Reach-Global Power*, which we published in 1990. In 1993, the Department of Defense conducted a bottom-up review (BUR) of our National Military Strategy. The BUR confirmed one of the basic premises of *Global Reach-Global Power*: "The likelihood that U.S. military forces will be called upon to defend U.S. interests in a lethal environment is high, but the time and place are difficult to predict." Events since 1993 have confirmed this assumption.

The strategic planning effort we accomplished after the Cold War focused the Air Force on core air and space contributions to the National Military Strategy, helping us prioritize modernization investments and shape our force structure. By drawing down forces early we have been able to maintain ready forces to support a key component of the BUR strategy, to fight and win two nearly simultaneous Major Regional Conflicts, while retaining the ability to respond to a wide range of lesser contingencies, without abandoning our modernization priorities.

To make the most of the nation's investment, the Air Force carefully constructed a time-phased modernization plan that synchronizes the sizing and timing of multiple programs. This approach helped us achieve our modernization objectives without creating "bow waves" in out-year budget requirements. In the past, the "bow waves" were the result of "small changes" in programs to achieve short-term savings. These "small changes" often resulted in large costs and disruption of numerous programs in the out-years.

Our time-phased approach covers near-term, mid-term, and long-term efforts. Coupling time-phasing with aggressive acquisition reform initiatives ensures that the Air Force will continue to provide our nation a broad range of capabilities at an affordable price.

Near-Term Priorities

Our CINCs identify strategic lift, air and sea, as DoD's greatest single deficiency. In response to this need, the C-17 is the Air Force's foremost near-term modernization priority.

Our C-141s are showing signs of age. At the same time, demand for airlift has increased. Based on a comprehensive analysis of strategic and tactical airlift requirements, aircraft and contractor performance, and cost effectiveness, the DAB recommended that we plan, program, and budget for the procurement of 120 C-17s. Our plan includes taking advantage of a stable multi-year procurement contracting environment at high production rates to offer substantial savings for C-17 acquisition. This will not only provide a savings, but also will enable us to fill the gap in needed airlift

sooner and finish the 120 airframe C-17 procurement prior to the peak expense years for the F-22.

The C-17 has been flying operational missions since October 1994, supporting operations in Southwest Asia, Panama, the Virgin Islands, and now in Bosnia. Concurrently, our acquisition program has exceeded expectations with the last 12 aircraft delivered to the Air Force ahead of schedule. The success of last year's Reliability, Maintainability, and Availability Evaluation (RM&AE) is solid proof of the aircraft's performance. The C-17 exceeded all key performance parameters during this rigorous thirty-day evaluation. It is clear, this is the right airplane at the right time.

In addition to these efforts to upgrade our mobility forces, we must continue to sustain the health of our combat forces until the arrival of our next generation forces, particularly the F-22 and JSF. To this end, we are continuing to recapitalize our F-15E and F-16 fleets. We are also pursuing modernization upgrades to our fighter forces and purchasing enhanced conventional munitions, such as JDAM and sensor-fused weapons, to improve their effectiveness.

Mid-Term Priorities

Conventional bomber upgrades and smart munitions improvements are Air Force mid-term modernization priorities.

The B-2 will give America a credible capability to penetrate advanced defenses and conduct precision strikes--nuclear and conventional--anywhere in the world. The B-1 will supplant the B-52 as the workhorse of our bomber fleet, while the B-52 will continue to provide a nuclear hedge and offer long-range stand-off.

Bomber upgrade programs are helping us integrate our newest conventional weapons onto all our bombers. These upgrades will give our non-stealthy B-52s and B-1s multiple target, stand-off, precision strike capabilities as well as increase their survivability. The combination of highly capable B-2s with upgrades to our existing bombers provides an affordable approach to maintain the minimum overall long-range strike capability required to "swing" between two Major Regional Conflicts.

Critical to the effectiveness of our bombers and our fighters is the continued development and procurement of affordable, smart and precision guided weapons. These weapons will extend the range, increase the lethality, and improve the survivability of older and newer aircraft alike. The JDAM, JSOW, and JASSM provide a balanced and affordable approach for increasing the versatility and lethality of Air Force, Navy and Marine Corps aircraft.

JDAM will significantly improve our ability to conduct adverse-weather, round-the-clock operations. JDAM adds an Inertial Navigation System and GPS-guided nose and tail kit to the MK-84 general purpose and BLU-109 penetrator bombs. JSOW is a 1000 pound class accurate glide weapon which provides us a low cost option for attacking highly defended targets from intermediate stand-off ranges. JASSM is a precision long-range stand-off weapon designed to penetrate and attack targets in high threat areas. JASSM will significantly increase our capability to hit critical, high value targets in the early stages of a conflict.

Long-Term Priorities

The F-22 is our most important long-term modernization priority--the need for air superiority is unquestioned. The F-22 will guarantee air superiority well into the next century. Its airframe and powerplant provide a highly maneuverable stealth platform capable of extended supersonic flight. Revolutionary integrated avionics--on-and off-board multi-sensor collection and data-fusion--will provide F-22 pilots unequaled battlespace awareness. The unique capabilities of the F-22 will enable the Air Force to dominate aerial environments--operating at will over hostile or contested territories, defended by very capable defensive systems, attaining unprecedented first-look, first-shot, first-kill successes, while protecting the many high-value assets necessary for success in modern military operations.

We have sized and sequenced the F-22 Program to meet critical warfighting requirements at a cost the nation can afford. This sequencing is critical. When the F-22 meets its initial operational capability in 2005, it will replace the F-15C--a 35 year old weapon system that will no longer be able to counter the full range of operational threats it was designed for. Furthermore, the F-22 will be cheaper to operate, require fewer personnel to operate, and require less airlift to deploy abroad. We made a substantial long-term investment commitment to achieve these revolutionary improvements and ensure we retain air superiority. Non-programmatic reductions will undermine the program stability necessary to control costs and maintain affordability. Already, during the course of the program, these reductions have increased program costs 2.5 to 3 times

over the amount of the funds removed. Funding stability continues to be a major concern for the future of the F-22 program.

JSF is another critical Air Force long-term modernization effort. When the first operational JSF aircraft become available in 2008, they will begin replacing our fleet of F-16s, which entered service in 1979 and will be increasingly vulnerable in future threat environments. Operationally, the F-22 and JSF are designed to be complementary. In fact, JSF will rely on the F-22 to provide day one air superiority. Technologically, advances that make the F-22 revolutionary--in avionics, composites, engines, and signature reduction--are being heavily leveraged into the JSF, thereby reducing risk and cost and increasing weapon system commonality. The JSF program will result in a family of affordable fighter aircraft capable of meeting the future warfighting requirements of the Air Force, Navy, and the Marine Corps. The affordability and versatility of JSF may also provide the most attractive alternative to many of our allies and coalition partners as they seek to modernize their existing fleets of fighter aircraft in the next century. The JSF team has developed a basic framework for international participation. Already, we have entered into an agreement through which the United Kingdom will contribute \$200 million to share in the development costs of the concept demonstration. JSF has the potential to become the world's standard multi-role fighter of the 21st century.

The Air Force plan to acquire the CV-22 for Air Force Special Operations Forces (AFSOF) complements conventional deep strike assets, such as the F-22 and JSF, by providing long range combat search-and-rescue (CSAR) as well as deep battle airlift. The CV-22's speed, extended range, and survivability will significantly increase the

warfighting CINCs' ability to exfiltrate personnel from denied territory. These inherent advantages will reduce dependence on refueling while providing a greater range of options for Special Operations employment.

The next century will also bring advances in the numbers and varieties of threats. While the F-22, JSF, and CV-22 will provide the CINCs potent offensive tools to counter those threats, the Airborne Laser (ABL) will provide an equally potent defensive tool.

Operation DESERT STORM demonstrated the potential of theater ballistic missiles to serve as an effective delivery means for weapons of mass destruction (WMD). Our current approach to counter this threat integrates complementary capabilities from the different Services to create a multi-tiered defense consisting of attack operations, boost-phase interceptors, and terminal defenses. We have programmed \$700 million in an ABL over the current Future Years Defense Program (FYDP). ABL will provide a robust boost-phase intercept capability to destroy ballistic missiles over an aggressor's territory. The prospect of WMD debris falling on an enemy's own forces or people may serve as a strong deterrent to WMD use.

On-Going Priorities

Several modernization programs transcend our time-phased approach. Along with the Department of the Navy, we are procuring a new training aircraft--the Joint Primary Aircraft Training System (JPATS). The recently selected Beech MkII aircraft meets or exceeds every Air Force and Navy requirement at an affordable life-cycle cost. With its pressurized cabin, advanced navigation suite, and state-of-the-art propulsion system, the JPATS will better prepare our future pilots to fly advanced aircraft. Acquisition of JPATS

will improve commonality with the Navy, support on-going efforts to consolidate Air Force and Navy flight training, and improve overall training safety.

Air Force modernization programs also reflect the need to provide the nation continuous, assured access to space. EELV will help us maintain that access. EELV is an evolutionary launch system that will be designed to deploy a broad range of spacecraft and support increasingly demanding launch requirements. It will lower the cost of both military and commercial access to space and ensure the long-term competitiveness of America's commercial launch industry.

SBIRS is another key system that will improve the CINCs' ability to defend against theater ballistic missiles. As a replacement for DSP, SBIRS will enable U.S. and allied forces to detect targets, such as theater ballistic missiles, sooner and at lower altitudes, enabling allied forces to destroy them at longer ranges. As a result, the warfighter will possess an even greater ability to neutralize the theater ballistic missile threat.

SBIRS is part of the information age technology that will give theater level commanders increased opportunities to influence operations in real or near-real time. With SBIRS, space-based cueing will be available for direct downlink to a variety of offensive systems that can then destroy transport erector launchers immediately after launch detection. This space-based cueing will also be available for boost-phase intercept platforms, such as ABL, to intercept missiles early in flight and to ground and sea-based terminal defense systems.

While space systems, such as SBIRS, are designed to enhance our warfighting capability, they also represent technologies that are important to our commercial partners. Indeed, many key air, space, and information technologies are commercially based. Information technologies have become increasingly important to military and civilian users and permeate almost every level of C⁴I and combat weapons systems. Many of these technologies, such as high-speed computers, distributive simulation, and miniaturization, have migrated back and forth between military and commercial users. Such information technologies can be a powerful force multiplier, offering offensive and defensive applications. As a result, the Air Force is placing increased emphasis on electronic combat and distributed information networks to enable decentralized execution of air operations.

High Leverage Player on the Joint Team

We continue to enhance operational relationships with the Army, Navy, and Marine Corps in many areas, but nowhere are these ties more evident than in Air Force platforms providing joint C⁴I. Air Force systems, such as AWACS, Joint STARS, RC-135s, U-2s, UAVs, and theater battle management core systems, provide comprehensive situation awareness, early warning, and detailed real-time targeting information for all warfighters.

A large part of this C⁴I infrastructure is space-based. The Air Force continues to launch and operate over 90% of DoD's space assets, including MILSTAR, the most recent addition to our space-based C⁴I capability. MILSTAR provides a worldwide, anti-jam, scintillation resistant, low-probability-of-intercept-and-detection communications

capability for all warfighting forces. Often described as a switchboard in space, MILSTAR can reconfigure immediately as warfighter connectivity needs change, providing dynamic communication networks.

Of historic significance, in 1995 we inaugurated a new era of military C⁴I with the first MILSTAR satellite-to-satellite information crosslinks. These crosslinks provide the capability to transmit messages from a single fixed or mobile ground terminal to a satellite, rout them through the satellite constellation, and transmit them directly to a destination. Such crosslinks decrease our dependence upon an expensive and vulnerable network of overseas ground relay stations.

Our interaction with the other services is not one-way. We also depend on key capabilities they provide. By FY99, the Air Force will depend largely on the Navy's EA-6B for stand-off jamming, replacing the EF-111. Savings from this decision will offset upgrade costs for the EA-6B. Similarly, the services share a responsibility to defend against theater ballistic missiles. Army and Navy systems provide terminal defense against theater ballistic missiles, while the Air Force concentrates on battle management and attack operations and boost-phase intercept options to ensure the CINCs possess an effective defense against theater ballistic missiles.

The Net Result

Our modernization plan, which supports our strategic vision of providing *Global Reach-Global Power* for the nation, will enable us to keep providing force options across the spectrum of conflict. We have made tough decisions, weighing technological advantages against affordability.

We have structured our programs for stability. Stability is vital to producing the best systems at the lowest possible cost. Most importantly, we have carefully sequenced our programs to balance year-to-year affordability concerns, readiness, and technical feasibility.

This is the right plan to ensure the nation's Air Force continues to meet National Military Strategy requirements.

Lean, Agile Acquisition

A key challenge to our vision is keeping pace with meteoric advances in essential warfighting technologies. Acquisition processes designed under Cold War rules can no longer respond quickly enough to benefit from radical shifts in design, much less from technological breakthroughs. To take advantage of increasingly dynamic opportunities, the Air Force is building a lean, agile acquisition system.

Adopting new processes is an important first step. Implementing these processes requires overcoming embedded barriers to change, such as statutory and regulatory constraints, cultural biases, and fear of the unknown. Most of these barriers are self-induced and, as such, can be overcome through dedicated, innovative leadership. Others, however, will be more difficult to master. Ultimately, the actions we take today will form the foundation for the lean, agile acquisition system of the future.

Acquisition Reform

Nine Lightning Bolt Acquisition Reform Initiatives have fueled an acquisition renaissance within the Air Force, building trust, empowering people, and strengthening teamwork. Individually, each initiative has helped tear down specific barriers to progress.

Together, they have created a momentum ensuring the Air Force provides timely, affordable, and advanced systems to meet the needs of our warfighters.

One measure of the success of the Lightning Bolt Initiatives has been the number of obsolete or redundant acquisition policies we have eliminated. Another measure is the cost savings realized from streamlined processes. The true measure of success of these reforms is the efficient, timely delivery of systems that meet the warfighters' requirements at a cost the nation can afford. For instance, the F-22 has become a model acquisition program.

The F-22 Team is using Engineering and Manufacturing Development (EMD) proven, event-driven management techniques, such as performance based acceptance and reduced dependency upon military specifications and standards. Additionally, the F-22 Team has implemented a lean manufacturing philosophy that provides a balance between cost and risk. One element of the strategy is the level of concurrency between program development and production. The F-22 program has scheduled significant ground and flight test activities in advance of the initiation of low-rate production. When a Defense Science Board review in 1995 compared the F-22 to other fighter development programs, they reported the degree of concurrency in the F-22 program appears not only reasonable, but in many ways, more conservative than the other programs. Based on the current status of the program, the cost and schedule risk of an extended EMD program outweighs any concurrency risk. Tying it all together, the F-22 program successfully uses Integrated Product Teams (IPTs) merging stakeholders from all disciplines and ensuring that designs strike the proper balance between cost, performance, and supportability. This close

government-to-contractor working relationship gives government personnel a superior degree of insight into the status of the program down to the lowest level.

We have also seen results in several of other programs, including JDAM, GPS, PACER CRAG, and Peace Shield. The JDAM program supports the requirement to provide bomber and fighter aircraft an adverse weather, medium and high altitude attack capability against fixed or relocatable land and maritime targets. Thanks to a streamlined acquisition process, we have accelerated the JDAM program, increased JDAM's warranty from five years to twenty, and reduced the average unit price to \$14,000. This places crucial, advanced systems in the hands of the warfighters one year earlier than requested with a total savings of \$2.9 billion.

GPS is a space-based, all-weather system providing reliable and accurate worldwide positioning, navigation, and precision timing through 24 satellites and associated ground control stations to an unlimited number of military and civil users. During Operation DESERT STORM, the U.S. Army needed a highly reliable and accurate method of navigating in the harsh desert environment. The joint GPS team orchestrated the rapid purchase of commercial off-the-shelf receivers and quickly delivered this equipment to the field in time for the ground offensive.

Another example is PACER CRAG. This program includes modifications and additions to the KC-135 aircraft's GPS, radar, and compass. This modification, among other things, makes it possible to reduce the KC-135 cockpit crew from three to two. In addition to manpower savings, this will significantly enhance KC-135 reliability and maintainability. Our PACER CRAG team has used all available tools within the

acquisition community to reduce reporting requirements and to eliminate unnecessary military standards and specifications. We applied the resulting savings of approximately \$90 million to other unfunded KC-135 modernization programs.

The Peace Shield program is another acquisition reform success story. This advanced command, control, and communication system for the Kingdom of Saudi Arabia provides an example of how we can downsize by identifying a program's core requirements, creating a fixed program baseline, and resisting the constant urge to update. In addition, every personnel position had a sunset clause tied to the completion of a milestone or a task. These reform efforts enabled a program that began behind schedule in October 1992 to deliver a completed system to the customer six months ahead of schedule. Peace Shield also reduced its System Program Office (SPO) size from 325 to 105, saving over \$25 million in personnel costs.

Improving Business Practices

Beyond reforming our internal acquisition processes, the Air Force has pursued other solutions to more efficiently and effectively meet requirements.

We have moved increasingly into cooperative programs with industry, our sister Services, other government agencies, and our allies. Most of our programs--for example, C-17, EELV, SBIRS, MILSTAR, and most of our Precision Guided Munitions (PGM) programs--have joint users. Two major programs go beyond that and have been structured as joint acquisition programs: the JPATS and the JSF programs. By combining acquisition efforts we have been able to decrease costs and improve manpower savings. JPATS made this a reality. JSF offers similar opportunities. With JSF, we have agreed to

divide expenses and expertise equally with the Department of the Navy and have concluded arrangements with the United Kingdom, allowing early financial and developmental participation in the JSF program. This approach will facilitate the development of an affordable multi-role aircraft.

We also have joint-service and international cooperative Science and Technology (S&T) efforts underway that will make significant contributions to joint warfighting. For example, we are currently conducting joint S&T programs with France and Germany in the field of ducted rockets, a technology crucial to extending the range of air-to-air missiles. Additionally, we are working with the Navy and with multinational partners on a new system to expand the escape envelope and increase the occupant size range for our ejection seats.

When we began to break down the barriers between the "defense" and "commercial" sectors of the economy, we discovered new opportunities to better use the nation's resources. Clearly, our nation can no longer sustain two separate industrial bases for military and civilian requirements. Therefore, we are moving toward cooperative arrangements to integrate military and commercial activities. Over the past twelve months, this approach has proven quite successful.

During 1995, the Air Force approved leases and awarded dual-use launch grants for commercial space ventures at Vandenberg Air Force Base, California and Cape Canaveral Air Force Station, Florida. In fact, over the next three years, Air Force launch pads will support more commercial than military satellite launches. Similarly, our EELV program is taking both the military and commercial sector to the next generation of

spacelift capability. We have included commercial-sector members on the EELV acquisition team, removed unnecessary layers of management, and eliminated overly restrictive military specifications (MILSPECS) from the program. Private sector involvement is particularly crucial for this program because we expect the EELV to satisfy the needs of the military and bolster U.S. industry's competitive position in the world space-launch market.

Commercialization policies, outlined in the Office of Management and Budget Circular A-76, Performance of Commercial Activities, require DoD to rely on private sector sources for goods and services. Since 1979, outsourcing has produced operating savings of more than \$500 million annually.

Outsourcing is not a new way of doing business for the Air Force--we have been on the cutting edge for decades. Our policy is clear: outsource where and when it is most cost effective.

One major challenge will be privatizing major portions of our depot maintenance capabilities, concentrating on those efforts which do not have wartime surge requirements. Our pathfinder privatization project is at Newark Air Force Base, Ohio. Newark was closed by the 1993 Base Realignment and Closure Commission. We selected a privatization-in-place option for Newark because moving workloads to other organic depots posed significant operational and economic challenges.

Currently, Air Force Materiel Command (AFMC) is aggressively evaluating Air Force-wide depot workload as the first step in privatizing depot maintenance work at Kelly Air Force Base, Texas, and McClellan Air Force Base, California. Already AFMC

has begun to identify pilot programs to gain an increased understanding of the benefits and the drawbacks to privatization.

Expanding Access for Small Businesses

An unexpected benefit garnered from the acquisition renaissance has been an increase in business opportunities for smaller commercial ventures. Since small businesses frequently lack the resources or expertise to tap into these opportunities, we challenged ourselves to improve access, increase awareness, and ease availability for America's small businesses. We predicated our efforts on a simple belief--all businesses should have equal access to Air Force procurement opportunities. As a result, the Air Force leads DoD and much of the entire federal government in support to small businesses. Our Small Business efforts center around the Air Force Marketing Information Package (AFMIP). AFMIP provides the Air Force Long Range Acquisition Estimate (LRAE) for FY96 and beyond in the form of practical "how to" guidance on selling to the Air Force. AFMIP also includes the full text of the Air Force Mentor-Protégé Handbook and information on international and domestic commercial diversification. In addition to AFMIP, the Air Force has continued its support for the Interagency Committee On Women's Business Enterprise (IACWBE), expanding access for women-owned businesses in Federal procurement opportunities.

Motivated, Disciplined People

The Air Force operates on the leading edge of technology and the tools of our trade are lethal. Such a force requires motivated, disciplined airmen led by superior leaders. To ensure the nation's Air Force continues to be the world's premier air and space

force, we recruit and train quality people, nurture leaders, and embrace unambiguous, high standards.

Recruiting and Retention

The publicity surrounding the defense drawdown, skyrocketing college enrollments, a youth population at its lowest level since the advent of the all-volunteer force: these are the hurdles for recruiting new members. Yet, to maintain a balanced force with the right distribution of rank, age, and skills, we must constantly replenish our ranks. Therefore, we are closely monitoring the pool of potential recruits, tracking workforce trends, and rewarding our recruits with top notch training, meaningful work, and a lifetime of educational opportunities.

Aggressive recruiting expands the pool of potential talent and it ensures a workforce that represents the total population. Continuing to attract qualified minorities to the Air Force will sustain the future growth of an increasingly diverse population. It also molds a workforce representative of society. Diversity brings credibility and relevance to the Air Force. It also helps us weave our values into every fabric of society—through the varied backgrounds of the sons and daughters who serve.

While attracting diverse populations to a workforce is essential, retaining them matters just as much. We are convinced that putting people first is the best way we can guarantee the readiness of our force. As a result, we are committed to providing and maintaining an acceptable quality of life for our people and their families.

Thinking Globally-Training Locally

As an essential ingredient of America's combat readiness, our airmen think globally but train locally. That means Air Force training is designed to represent, as accurately as possible, the environment, conditions, and experiences our men and women would most likely face while participating in operations around the world. Such training requires use of a wide variety of land, sea, and air resources to create realistic and representative circumstances.

To ensure access to such areas, we have developed cooperative use arrangements with those who may have competing interests for the same land and airspace. Such arrangements are predicated on responsible custodial care of these resources. Currently, Air Force ranges incorporate over nine million acres. Sixty percent of this training space is dual-use, shared by the military and the public. These ranges include managed forests, farming and grazing areas, and protected wetlands. Additionally, we are minimizing the use of hazardous materials, broadening recycling programs, and incorporating environmental improvements into our aircraft designs.

We will continue to search for improved ways to execute our responsibilities and steward our nation's resources.

Excellence in Command

Leadership is the foundation of our organization. We depend on our ability to train, educate, and select our leaders and then provide an atmosphere where they can use their talents toward mission accomplishment. As the demands of Air Force leadership grow, and the issues facing our leaders become increasingly complex, it has become

necessary to improve the way we ensure our readiness to face these challenges. For instance, we are improving commander selection and training processes. We have designed a centralized system to provide all candidates for command equal consideration and central screening of their records. This should ensure a fair and open system with the best possible criteria for selection.

We have also instituted leadership courses to ensure our commanders are as well prepared as possible for their new responsibilities and know what we expect of them. Squadron, Group, and Wing Commander Courses are a first step. In addition, our Squadron Officer School, Air Command and Staff College, and Senior NCO Academy have included extra leadership and accountability case studies in their curricula.

Concurrently, across the Air Force we have vigorously reinforced the importance of professionalism, accountability, and responsibility. Air Force leaders must focus on the mission, demand professional standards of conduct, and hold people accountable if they fail to meet these standards. We have provided specific guidelines for commanders that link disciplinary and personnel actions while protecting the commander's prerogative. Furthermore, we have emphasized the need for more stringent documentation of all adverse actions, and we require evidence of those adverse actions at all accountability points, such as promotions, evaluations, assignments, and decorations.

Unambiguous, High Standards

Technical competency, drive, diplomacy, and team-building skills are important qualities for any leader. We will continue to require those skills from our commanders. Just as crucial, however, are the personal qualities of integrity . . . service before self . . .

excellence in all we do. We've stressed the importance of these core values in our discussions with Air Force people at all levels. Our core values are the standard for our behavior, our service to country, and our treatment of one another. All who wear the uniform, especially our leaders, have a duty to live according to the values of this institution. Personal values, professionalism, demanding standards, and accountability--all flow from our vision of the future Air Force.

People First

To ensure we recruit and retain the right people, we will continue to reward the challenges of this profession with an equitable quality of life. Readiness and quality of life are inseparable. That is why we put "People First."

This year we conducted the first ever hands-on, computerized *Quality of Life Survey* of everyone in the Air Force. This survey identified strengths and weaknesses among Service efforts to assure our people an acceptable quality of life. On a positive note, many of our people intend to make the Air Force a career. On the other hand, many had concerns, such as the high OPTEMPO of their units.

To assure a balanced approach, the Air Force continues to support its *Quality of Life Strategy*, focusing on seven priorities: compensation and benefits, safe and affordable housing, health care, balanced Personnel Tempo (PERSTEMPO) and OPTEMPO, community and family programs, retirement benefits, and educational opportunities.

Compensation and Benefits

One of the fundamental requirements for maintaining an all-volunteer force is ensuring fair and adequate military compensation. To help maintain a quality force, the Air Force supports full statutory pay raises through the FYDP as proposed in the President's budget. In addition, for civilians, the Air Force supports pay equity with industry through the locality pay provisions of the Federal Employees Pay Comparability Act.

Housing

Like most Americans, members of the Air Force want to live and raise their families in comfortable homes in secure neighborhoods. Unlike most Americans, however, airmen must live where their orders take them in support of worldwide deployments and contingencies. It is vital for all airmen, particularly junior members, to have access to safe, affordable housing. Air Force people do not expect to live in luxury. Simply, they want to be able to place their families in housing that will give them peace of mind when they are deployed.

Unfortunately, there are insufficient quantities of quality housing to meet existing and projected demand--currently, 39,000 families are on waiting lists to move into base housing. The average age of Air Force housing is 33 years, with over 60,000 homes requiring improvement or replacement. At current funding levels, it will take 24 years to catch up with this backlog.

Our goal is to get well within the next 10 years. The solution is innovation, not just increased investment. With the support of Congress, the Air Force could realize both

the flexibility and the authority to satisfy much of its housing needs through the private sector, thereby reducing costly infrastructure and overhead.

Dormitory improvements for single and unaccompanied personnel are another key part of our housing problem. The Air Force strongly supports OSD's one-plus-one standard for single and unaccompanied dorms, an initiative aimed at enhancing individual performance while assuring personal privacy.

Health Care

Airmen rank quality health care for their families as their number one non-cash benefit. To alleviate stresses on the military health care system and mitigate the financial burden on military members, the Air Force supports the current TRICARE program. This program requires neither user fees in Military Treatment Facilities nor enrollment fees for active duty families. TRICARE is the only program in today's economic environment that can assure military members and their families the broadest range of uninterrupted medical coverage--and we are committed to making TRICARE work.

However, we are concerned about the provision of health care to retirees and their families who are 65 years old and older. Currently, we allow these patients to continue on a space available basis in our military medical facilities. However, space is becoming less and less available as our military medical facilities are closed through the Base Realignment and Closure process and as the competition for military medical facility access increases. The Administration is considering a demonstration of a promising new alternative where DoD would maintain its current level of effort and would expend those funds first; then, turn to HCFA to cover additional dual eligible beneficiaries who choose

to enroll in TRICARE Prime. We would like to see this demonstration begin as soon as possible and look forward to the outcome.

We are also concerned about quality dental care. While the family member dental plan allows overseas family members to remain enrolled, there are no provisions under the plan for overseas treatment. As a result, the Air Force supports the Overseas Family Member Dental Program (OFMDP), which is in place in Europe and soon will be implemented in the Pacific.

Balanced PERSTEMPO and OPTEMPO

The OPTEMPO for many of our units remains high--and it will only increase as we are called upon to support additional contingency operations. Four times as many Air Force people are deployed today as in 1989 enforcing no-fly zones, maintaining air refueling bridges, supporting humanitarian operations on three continents, and helping stem the flow of illegal drugs. We are committed to supporting these operations. Concurrently, we are working to reduce high PERSTEMPO to below the maximum desired level of 120 deployed days per person per year.

The Air Force is employing three main initiatives to achieve this goal. First, we are using global sourcing to balance the workload across all active duty Air Force units, regardless of the theater to which they are assigned. Second, we are reducing taskings on the systems where our people have the highest PERSTEMPO. That is, we prioritize tasks to determine which missions we can support, offer substitutions, or request relief. Third, we are using Air National Guard and Air Force Reserve volunteers to reduce active duty taskings and are integrating them into additional mission areas, such as AWACS, space

operations, and information warfare. Air Combat Command has developed a successful scheduling process that has Air National Guard and Air Force Reserve participation in contingency operations planned through 1998. As we rely more on Air National Guard and Air Force Reserve people, we must be prepared to extend to them appropriate services and benefits--to include those Guardsmen and Reservists serving on active duty for less than thirty-one days. This requires improved guidance, full funding, and advanced scheduling to maximize volunteer availability and to ensure we can offer benefits and protections regardless of the duration of active service.

In a Spring 1995 survey, Air Force commanders and first sergeants said that family readiness is directly tied to mission readiness. The Family Readiness Program provides special emphasis on family separations through a variety of services, including deployment preparation, support during separations, and reunion guidance. With the high number of deployments, these services have become an essential capability at many bases. They must be continued to ensure we support our airmen and their families.

Community Support and Family Programs

Community support and family programs also help the Air Force recruit and retain the right people. Our highest priority efforts in this area are to preserve commissary benefits, expand child care, and expand Services' activities.

Commissary savings are vital to the entire military community and are ranked second, behind health care, as the most valued non-cash benefit. Military members depend on commissary savings to extend already stretched military income.

The Air Force Child Development Program provides care for 45,000 children daily in child development centers, family day care homes, and youth center programs. The Air Force will continue to expand Air Force child care facilities to achieve the DoD goal of 80% of the requirement.

Services' activities directly support unit readiness through programs that enhance individual fitness, unit cohesion, and a sense of community. The Air Force will continue to expand and improve Services' opportunities.

Retirement

The Air Force remains committed to the nation's military retirees. A solid retirement benefits package compensates for the extraordinary demands we place on our people over the course of a career.

Access to quality health care is critical to military retirees. Medicare-eligible retirees who are 65 and older are not eligible for CHAMPUS and thus cannot be enrolled in TRICARE. As mentioned earlier, we applaud the Administration's effort to design a Medicare demonstration project which would provide access to quality and cost effective health care for the entire military family regardless of age.

We believe it is important to preserve the military retirement system. Reforms to the military retirement system during the 1980s have reduced the lifetime value of retired pay for newer service members by as much as 26%. Further reductions in the net value of retiree benefits could have a dramatic, negative impact on recruiting, retention, and readiness.

Educational Opportunities

We also are committed to preserving and expanding educational opportunities.

Tuition assistance has proven a valuable recruiting and retention tool, providing our airmen the means to obtain associate, undergraduate, and graduate degrees. The Air Force supports maintaining current Air Force tuition assistance levels. At the same time, the Montgomery GI Bill continues to be a success story. These self-improvement opportunities serve not only as incentives to our people but also lift them to greater levels of productivity. Ninety-five percent of those who enter the Air Force enroll in the Montgomery GI Bill program. However, many of those wishing to enroll in the current program are no longer eligible. For these, the Air Force is studying options to improve their access to advanced education.

Toward The Horizon

The capabilities spelled out in our vision paper, *Global Reach-Global Power*, are battle tested. They have enabled us to identify and build the unique contributions of air and space power to joint warfare and the nation's defense. These objectives continue to serve as our intellectual compass.

We are poised to accept the challenges ahead. We have strengthened our commitment to Science and Technology (S&T), the foundation for Air Force modernization, and we are celebrating the publication of *New World Vistas*, which identifies those technologies that will shape the Air Force of the 21st century. In addition, we have built a team to help us ensure we achieve the clearest sense of our planning horizon and institutionalize across-the-board long-range planning for the Air Force of

2025. With the benefit of experience, insight, and imagination, we will continue to provide the nation the premier air and space force for the future.

Today, we are ready to fight and win our nation's wars. We have in hand those modernization and training efforts necessary to sustain that capability in the decades ahead. In the future as in the past, the nation's Air Force will provide *Global Reach-Global Power* to help shape the world our children will live in.

The CHAIRMAN. General Krulak.

STATEMENT OF GEN. CHARLES KRULAK, COMMANDANT, U.S. MARINE CORPS

General KRULAK. Mr. Chairman and members of the committee, I am deeply honored to be here. As the chairman mentioned, this is the first time that I have been before this committee as the Commandant of the Marine Corps, and that, in itself, is not the honor; the honor is that for the first time, I get to represent my Corps and your Corps and their families and the civilian Marines that make up the Marine Corps in front of this distinguished body. And so I am honored and very thrilled.

I am going to be very brief. I am going to talk first a little bit about the past, a little bit about the present, and then about the future.

Nearly 45 years ago, the second session of the 82d Congress of the United States crafted some language—and much of that language was crafted by this committee—that basically mandated that the Marine Corps would be an expeditionary force in readiness, combined arms, ground and air, strike force, most ready when the Nation is least ready. And over the years, Marines, helped by our Navy counterparts, have shed blood, sweat, and tears to make sure that that mandate was met; and we got an awful lot of help from the Congress of the United States and this committee.

Today, 27,000 Marines are forward deployed around the world. In excess of 3,000 of that 27,000 are Reservists from the States of Massachusetts, Ohio, Florida—Reservists, part of the total force Marine Corps.

The Marine Corps is in the Adriatic, the Persian Gulf; the Marine Corps is in Korea, Japan, Okinawa, Australia, Malaysia, Norway, Central America, South America, Haiti, Cuba. The Marine Corps is around the world managing what I call instability. By design, the Marine Corps has never been focused on a single threat. The demise of the Soviet Union has not changed the way the Marine Corps thinks or operates. We focus on uncertainty; that is what we focus on, the ability to fight across the entire spectrum of warfare from major regional contingencies to things that we call crisis response.

But in the future, the dimensions over this uncertainty are going to change; fueled by the splintering of nations along ethnic, religious, and tribal lines, crisis is going to take on a new dimension, a dimension that I call chaos. Where crisis rises from relative stability in known state actors and known chains of command, chaos is a byproduct of growing confusion, growing instability, and it is led by nonstate actors.

The tensions in Cuba, the tensions in Taiwan and China are crises; but what we saw in Somalia, what we are seeing with terrorists in Israel, in Japan, and what we are seeing in Bosnia is chaos. And that will play a major role, in my opinion, in the 21st century.

If you couple chaos with the tremendous economic explosion that we are going to see in the Pacific Ocean, Indian Ocean, and in the Persian Gulf, and you tie the health and welfare of our Nation to that economic explosion, then you see how important your naval

forces are when managing instability across vast oceans like the ones I just mentioned.

In the case of the Marine Corps, the Nation has demanded and mandated an expeditionary force in readiness. We are going to need them even more in the 21st century. To meet this challenge, we need to maintain a quality Marine Corps. We need to invest in the future. We need to proceed with our modernization effort, the V-22, the AAV, the lightweight 155, the JAST program.

At the same time, and probably even more important in modernizing our equipment, we had better start modernizing our minds, and we are doing that through a series of experiments under the war fighting laboratory called Sea Dragon. The idea is to modernize the mind. We need to recruit, we need to train and maintain our superb Marines, but we need to recognize that they are coming from a different society than any of you or I came from, and it is changing almost every 5 years. So we need to look hard at our entry-level training, not just for enlisted, but for officers, to make sure that we are able to instill in them the ethos of the Corps, of courage and honor and commitment. And if it takes longer than what is normal boot camp, then so be it, we extend the length of that boot camp.

Finally, we need to treat each and every Marine as a parent would a son or a daughter, or a teacher would a scholar. They need to be disciplined when it is necessary, but above all they need to be loved. They need to be cared for, and that is my commitment; and with the help that I have seen come out of this committee and out of this Hill over the years—and I have been looking at it for 54 years—I know that I can count on that, and I appreciate it greatly.

And I am prepared for your questions.

The CHAIRMAN. Thank you very much. I want to thank all of you Chiefs for your statements and your testimony to come. You do a good job, all of you. It is made more difficult because you are being asked to do more with less, and in these days and times when many people cannot see the many threats we have facing this country and are blind to it.

I want to put—if I might, put this old problem we have in context by saying that I think the framers of our Constitution must have foreseen times like these when a President or administration did not properly request funds adequately to provide for our military; and so in article I, section 8, of the Constitution they gave the Congress the power and the duty and the responsibility of providing for the military and the defense needs of our country. And so it seems odd to some people, I am sure, when you hear statements like, the Congress is giving the military things they don't want, didn't ask for; and as some of you have referred to this morning, even in some quarters it is called "pork."

The criterion has been, if we provide you with something that you could not officially ask for, knowing the political realities and fiscal restraints and word given to you by your higher-ups, it is called pork if it was not asked for by the administration. These things, these plus-ups that you talked about, General Fogleman, that we gave you last year, which you said were needed and helped and all those kind of things were called pork, some people cannot

see what is going on, and so we have to somehow or another get around this veil that we have and try to get from the military part of our Department of Defense what the true needs of our military are when the official request had to be otherwise.

So the way we have had to try to do this over the years is to go around about and ask hypothetical questions and all kinds of things because we realize the position you are in. You cannot officially go against the official position of the administration. So as we did last year, I want to ask a question of you, a hypothetical-type question, because we are going to add to the budget. We are going to try to give you those things you couldn't ask for, that you need. And without putting you in an untenable position in answering directly, let us do it hypothetically and let me ask you this way:

If we were able to add \$1 or \$2 or \$3 billion to each of you in your requests for those things that you—I know you asked for and couldn't get in the official budget, what would you use it for? What are your priorities and your needs that you foresee in your budget? And feel free to respond generally. And then I would like you to give the priorities, too, if you don't mind and I will followup later on with a written request of you, so you can expand on that.

Let's see, General, we will start with you.

General REIMER. Thank you, Mr. Chairman, and in response to that question, I would just say that there are a number of places that the Army could use help in this particular area, particularly in modernization. As I think you know, most of our challenges revolve around modernization and preparing for the future. What I would ask, in those terms of the question you framed for me, is that we take a look at the programs that we have already, the modernization programs, and accelerate as many of those as possible, to get them in a more economical buy and to get the stuff in the field faster than what we have planned for right now.

For example, we are short some 40,000 trucks, in excess of 40,000 trucks. We could use help in that particular area. We could use help in terms of more Bradleys, faster, so that we get the fielding of the M1A2 and the Bradley vehicle synchronized better.

We certainly would like help in terms of Force 21, our movement towards the future, be able to accelerate that process, and as we find the new technologies, such as night vision devices and situational awareness and command and control, we could accelerate those systems.

I would also ask that we look hard at the capabilities of America's Army. We could invest more into the MLRS for the National Guard and their log automation systems that would help us both in the Active and U.S. Army Reserve and the Army National Guard.

So I would answer your question, and we will be glad to provide specifics, but I would answer it this way: I would like to see us accelerate as much as we can those programs that are already on the books to get a more economical buy and to field that equipment faster; and I would like to see us invest in systems that will save us money in the outyears, save us money in terms of the cost of running the Army, primarily log automation systems, primarily simulators, those things that will help us reduce the cost of doing business in the outyears. Then I would take a small piece of that

and try to put it in some infrastructure and probably some barracks remodeling to help our soldiers. But most of that I would ask to go in the modernization.

Admiral BOORDA. My answer is very similar and it is also very similar, if not identical, to last year. As you know, we have stressed readiness. That is what I talked about; in fact, that is what most of us talked about. And we have shortchanged modernization to do that. We have a particular problem in the outyears where bills are going to come due to buy things to keep the Navy ready in the future, so it is really future readiness we are talking about.

I don't think we need new programs; I think we need to fund the ones that we planned earlier, if we can. Let me give you an example of how that worked last year and worked really well. Last year you moved LHD-7, the last large-deck amphibious ship we were going to buy in that class, you moved it from—it had continued to slip into the outyears and you moved it back in and we are buying that. It is under contract in 1996 right now. So this is already done. What that caused to happen was a nice steady work flow at the shipyard that is building those LHD's; they could plan ahead, they could buy their lead equipment early, buying two and three sets for the ships they are building, instead of one, and we saved a lot of money and got a ship we needed when we needed it instead of later. And we reduced that mountain of shipbuilding costs that is out there in future years, because we moved it up now when you thought we could afford it. That is a great way to do business, and it helps us a lot.

So I would ask that you look at programs like that and I will be very specific. I don't have a hypothetical list; I have a real list of things that fit that mold, things that we have thought about, gotten approved, would fund if we had more money, but simply do not have enough.

Let me tell you about the one that is at the top of the list. Last year we had a lot of discussion and you had a lot of discussion about what we were going to do with the future attack submarine force, how we were going to build that and how we were going to fund it. We all together chose an option that bought a couple more submarines in the early years than we had money to buy, but we thought it was a good option, and you did, and it showed up in the authorization bill.

What is not there is enough money to execute that in our top line. And so we asked for some special language last year to allow us to put a 1999 submarine in to be built at Newport News, and to put that submarine in, but not have all the money in there to do it. Why am I talking about a 1999 submarine in a 1997 budget? Because you have to buy the long lead and advance things early or you won't have them and you can't build them. So we have a specific bill to pay for this year.

I am not off the reservation. Secretary Perry and Secretary Dalton both have said this is a high priority for them, and it is probably our—it is not probably, it is our first priority of unfunded things that we need to fix to keep our commitment to you last year and to have a healthy and proper program.

There are other issues. I will mention only a few; I obviously have a longer list. I think it is time to get on with the building of

the LHD-17 class. We will have the first ship under contract this year and we ought to move out with that. So that is one you should look at very closely.

The older LPD part of our amphibious force that General Krulak and I talked about that is so important to getting marines where they need to be and supporting them when they are there, part of that force, the LPD class is old, it is steam powered. We can do a lot better for our people and for our country.

Now that we are going to build the one in 1996, we should get on with that class. Again, that reduces our shipbuilding budget in the outyears. It is a one-for-one replacement, so we are not adding things to the total budget; we are getting them in closer when we need them.

You may be surprised, but I would bring the Marine Corps Aviator B program back up to the numbers that we had before we had to take cuts in the program. It is not just Navy aircraft I worry about. We procure aircraft for both services, and the same is true of A2C's, and I could go on and on. But an important program is the DDG program, where I really think we can do a lot better job and save money by getting some logical buys and doing them in the early years, and that will also allow me to decommission some less capable ships and stay within the Bottom-Up Review numbers.

I will be glad to provide more for the record.

The CHAIRMAN. Thank you.

General Fogleman.

General FOGLEMAN. Again, Mr. Chairman, my response will be very similar to that of General Reimer and Admiral Boorda. I would tell you that our list, which is again very specific and has been developed as a result of the process in which things that were very valid requirements were dropped off the table as we went through this prioritization and this fiscally constrained exercise, but they fall fundamentally into two categories. One I would call systems; that is, all weapons systems included in this would be those kinds of items that the war fighters find very attractive and need very quickly when a crisis develops. Joint STARS aircraft, for instance, are those kinds of things. Again, that was a system that we are using in Bosnia with good effect. When we used it in the desert, it was used for targeting. Now we are seeing a method of using that aircraft in a reconnaissance—if you will, in an observation role over there.

So you would have systems, both air-breathing and space systems that we would have on our list; but in addition to that, you would also have many of what I would call upgrades. Because one of the things that suffers when you get into a modernization crunch is that you begin to push aside modification programs for aircraft and you begin to extend old systems that cost you more money in terms of operations and support funding and cause you to use more people.

So if we could get some upgrades, and again in these categories I would put things like AWACS, for instance. There is a system that will be with us for a long time. There is an AWACS improvement program that is on the books, but it does not complete until well beyond fiscal year 1999. We can pull those things forward. They become much more efficient, much more effective.

We also have in this category of upgrades re-engining programs. It is tremendous savings for you when you can re-engine an aircraft, and particularly as we see the possibility to re-engine with commercial derivatives and it begins to ripple through your whole fleet, because you can put commercial derivative engines on an airplane like the RUBIX Joint or the AWACS, just as we have on our refueling aircraft, and it changes your whole support mechanism because they are a much larger base being supported out there, so it is cheaper. So we would recommend things of that nature also.

Again, I have a very specific list I would be willing to submit. The CHAIRMAN. Thank you.

General.

General KRULAK. Yes, sir, I have a specific list also that I will be more than willing to submit. Let me just first start off by saying that my fellow Chiefs think I am crazy for what I am about to tell you, but the first thing I would buy would be something like Gore-Tex cold-weather rain suits for my marines, tents, boots, things that make their life—if you want to know what quality of life is like for the marine, he is out in the field 3 or 4 days a week, and the quality of life is a tent that doesn't leak.

You all helped me on that last year, and I really appreciate it; and I will tell you it made a big difference for about 44,000 marines. So the very first thing I would look for is \$10 million—again, I know that is—

General FOGLEMAN. It is tough to compete with tent pegs. I always ask him how many of these tent pegs he really needs every year.

General KRULAK. A \$10 million tent peg, huh?

And then we have some things that I am sure the committee is aware of. The V-22. The buy rate for that V-22 right now, in my opinion, is ludicrous and it is dangerous and we need to get on with getting it quicker. MPFE, an ACL, remanned JAST, Javelin, again simulators, all of the things that make a land force capable. But I will provide those to you in detail, sir.

The CHAIRMAN. Thank you very much.

Mr. Dellums.

Mr. DELLUMS. Thank you, Mr. Chairman. I note the presence of a number of my colleagues. I would like to let some of my junior colleagues question the witnesses and maybe we will come back later in the process.

The CHAIRMAN. All right, we have Mr. Total Force Montgomery.

Mr. DELLUMS. I like that, Mr. Chairman.

Mr. MONTGOMERY. Two compliments—Junior Member by Mr. Dellums, and Total Force by the chairman.

Mr. DELLUMS. It is fun to outrank Sonny.

Mr. MONTGOMERY. I was going to talk about the total force; I am going to change a little here.

I want to thank the four gentlemen for their wonderful testimony this morning, and in listening to you, I am really very comfortable with the four Chiefs we have, to my colleagues here, that I know you are going to make the right decisions, and that is good for all of us.

Back to the total force. I was talking to Pete Geren, and Sunday afternoon he went out to the airport there in Fort Worth and Dal-

las and the 301st Air Reserve Squadron came in with the F-16's, and they had flown 9½ hours coming back from Bosnia and they had been over there for 2 months. The story that can be told on each one of the Chiefs is that you are using the Reserves and the total force has finally arrived. We have been working on it for 30 years, so that is good.

Quality of life, we had a hearing on that yesterday. If you use the Reserves more and the National Guard more to take the place of some people out at sea and around the world, reservists, and bring these Active people home to see their families some, I really think that has a lot of merit to it; and that came from Secretary Jack Marsh, quality of life that Secretary Perry is using. Use the Guard and Reserve; if they cannot do the job, we would like to find out.

A question to General Fogleman. We are proud of the C-17's. Chairman Spence and I are interested not only in the C-17's, but the C20G cargo jet that has been authorized and appropriated, if you have to put this new C-20 within another force, where it would do more, I think that would be all right with the chairman and I. We just think we ought to buy this C-20 and eventually let it get to the National Guard in some way, even if you have to shift them around. We would appreciate it if you would look at that.

And, General Reimer, you have recommendations of \$435 million for military construction, but you have only got \$8 million in there for the Army Guard military construction account and no funding for any armory. And if they are going to train up there, you are going to have to give them some decent ranges and some places to train; \$8 million is not very much. Do you want to comment on that?

General REIMER. I agree with you, Congressman, it is not very much. It is something we are conscious of. We will continue to work it. It is just simply a matter of priorities. We have a limited amount of money in that whole area and when we went through the scrub in terms of putting this together, that is where it fell out. So we will continue to look at it—hopefully, be able to beef it up in the future years.

Mr. MONTGOMERY. Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

Mr. Hunter.

Mr. HUNTER. Thank you, Mr. Chairman.

And, gentlemen, thanks for being with us today and thanks for your excellent opening statements. I think I agree with the chairman that you are doing more with less and you are rising to the occasion and meeting the challenge. Let me just ask a brief question for each of you in a little different area.

General Reimer, I know that of course basic ammunition stocks are the—that is the foundation of the Army's readiness capability. Are you satisfied with the state of ammunition right from your basic rounds right up to your more sophisticated systems?

General REIMER. That is an area that we are looking at very hard, Congressman; and as you know and as you have implied, we have drawn down that account as we have gone through reshaping the Army. Part of that was that we funded the training ammuni-

tion last—we took some of the war reserve stocks and moved that into training ammunition because you have to rotate them anyway.

We have had a large amount of demilitarization requirements that we have had to take on. What we have tried to do is to balance the resources we have had to cover all of those functions. We think we have gone as low as we can go right now in the war reserve. The 1997 budget funds the training ammunition at a 100 percent, so we should not have to go down below that anymore.

We are conducting right now a functional area analysis in that whole area of ammunition, but we share your concern and we are taking a hard look at that, that we do not take it too low. We don't think we are too low at this point but we have to get that in balance also.

Mr. HUNTER. Congressman Skelton and I will be working with you. We are interested in that area, and we have had a few meetings together already and we will work with you on that.

Admiral Boorda, F-18, you have the E and F's. You have a request for 12. Could you use more this year in this year's budget?

Admiral BOORDA. It is time to move on with that program. The airplane is flying—it actually flew early. It delivered to us early, and it went to Pax River and it is there now, early.

Mr. HUNTER. You actually got Duke Cunningham to like that plane. I don't know what you did with him.

Admiral BOORDA. He likes it a lot. It is a bigger, faster, carries more, airplane than the old F-18 and it has a lower signature. Of course, we want to get that. We just got a new carrier, the *Stennis*, on the 9th of December last year; and we have two more building and need to build one more of that class. And they are going to need airplanes for the future, and that is our airplane for the future and it is here now. So of course we want to do that.

Our plan right now is in this year to buy 12, to ramp up to 24, 36, 48 and start getting economies of scale; and that is the way to buy an airplane. So the earlier we do that, the happier I will be.

Mr. HUNTER. Thank you.

General Fogleman, PGM's are a major force multiplier in every analysis that you folks have done lately with respect to future conflicts. But the budget doesn't reflect a—it reflects more of an out-year PGM ramp-up than it does the execution years. Could you take more precision-guided munitions funding this year?

General FOGLEMAN. Yes, sir. Again, this is one of those programs, as you indicate, from an affordability standpoint, we have an outyear ramp, but quite frankly, we think we could execute slightly over \$100 million worth of additional funding this year; and that would be on this list that I would provide, yes, sir.

Mr. HUNTER. Thank you.

General Krulak, the Marine Corps maritime prepositioning force is something that is near and dear to your heart.

General KRULAK. Yes, sir.

Mr. HUNTER. One thing about it, when we have a conversation with you, Democrats and Republicans on this committee, we never leave with the idea you are undecided on these issues. You have a real style in that regard.

Let me ask you—we have kind of gone round and round on this program; we have had a little confusion as to how we are going to

get you this pre-position capability, and that has been reflected, I think, not in confusion on your part, but in confusion with respect to Congress' markups, if the cost is the same to build a new ship versus convert an old ship. And one thing I was struck with were some of the analyses on big conversions a couple of years ago, where we got 300,000-square-foot converted ships for about \$210 million, we discovered we could have built new 400,000-square-foot ships for about the same cost.

If we could build new versus convert old ships, and given the life cycle costs would be less for the new ships, would you folks prefer to have newly constructed ships if funding were provided?

General KRULAK. You are saying that the ships that we are talking about, new and old, are the same price, sir?

Mr. HUNTER. Yes, if we could get you the funding for newly constructed pre-positioning ships.

General KRULAK. There is no question, you would want new ships.

Mr. HUNTER. OK. Thank you.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you.

And the gentleman from Missouri, Mr. Skelton.

Mr. SKELTON. Thank you, Mr. Chairman. I think the four gentlemen out in front of us today have to be the proudest people in uniform in our country, because as I see it, the young folks that are wearing your uniform are the finest I have ever seen; and it is our hope, personally and on this committee, that we are able to sustain that.

The committee last year—as you may know, title IV, section 691, put a permanent floor on the various end strengths, and I note, Admiral Boorda, you said in your opening comments that we cannot go below the Bottom-Up Review number, and that is the number for each of the services. There is in this section a safety valve, however, but we intend for this to stay.

I don't see how the Army can do what they are going to do, what they need to do, with 495,000. In testimony last year, General Ted Stroup said, with 520,000, the Army was stretched and stretched because of the Operation Tempo.

Admiral Boorda spoke of the ships that are constantly at sea. I have been to Aviano, General Fogleman, and I know the work that they do and the Marines. You are all doing superb work. We must not let temporary financial pushes get us below the Bottom-Up Review figures. I will do all I can to keep you within that.

Now, as many know, I have been interested in the area of military education. Since the late 1980's, 1987–88, there was a panel I chaired on professional military education which dealt with all the 10 war colleges, at the time holding 28 hearings all over, and we came out with recommendations. And to the credit of each of the militaries, they have abided by the recommendations. We had to change some laws, but not much.

I have this year visited the Armed Forces Staff College, all of your colleges down at Quantico, Fort Leavenworth—both the General Command Staff College, General Reimer, and the SAM's college out there, and the Army War College. Admiral Boorda, General Fogleman, I have not visited your schools as yet; I intend to.

It is important that we understand that military education foretells victories, whether taking a hill or winning a cold war or something in between. Between the wars, the one thing that the military did right between the two sea services and the Army, they put their best young officers, up-and-coming young officers, not only in the war colleges, but they had them as instructors.

I refer to this as the golden era of military education. I think we have revived that, from what I see. I am extremely pleased with the schools that I have seen the last few weeks.

But let me ask you, each of you, and, General Reimer, I will start with you; though I have not visited the Navy or the Air Force yet, I would ask each of you gentlemen to touch on this. I am concerned that you may not be able to sustain the level of professional military education, given your current and projected funding. To not sustain them, of course, would be a failure to heed the lessons of history, for it is clear that the high level of professional military education that I mentioned in the 1930's was a significant contribution to the success of World War II.

As a matter of fact, the Navy War College had Plan Orange that worked out the potential war in the Pacific. The Army War College and the General Staff College did the same thing. So, General Reimer, let me ask you that first; would you speak of my concern?

General REIMER. Thank you, Congressman. Yes, I share your concern because I understand how fundamental it is to the U.S. Army. I just spent about 2½ days in Carlisle talking with the leadership of the Army, and during that time General Crouch, Bill Crouch, who is the commander of the U.S. Army in Europe, gave us a briefing on how the operation in Bosnia was going. The thing that he emphasized was the importance of the Army doctrine and the Army training and education program. And when you listen to him talk about that you understand fully that that is terribly important.

When you start shaving that at this point in time, you pay the price 5, 10 years later. So what we have tried to do is to look very carefully; in our case, the institutional piece of this, as you know, is the training and doctrine command. They have paid a heavy price in our reshaping, and I am concerned that we have gone as low as we can possibly go in that area.

I look at some of the signs, and they have taken out some of the training they have been doing in the past. I look at the experience level of some of our officers that are going in there, and they are all high-quality officers, but we have had higher experience levels in the past.

So I share that concern, and that is one of the primary emphasis as we look to the future, that we make sure that that base, the training and doctrine command, which is the institutional part of our leadership training program, is rock solid. We cannot afford to do anything but keep it that way. So I share your concern.

Admiral BOORDA. Let me answer that in really three parts.

As you know, as preamble, we have increased the number of people we send to senior service colleges, in all the senior service colleges. And yesterday, I should have invited you, I promoted Al Cracketts to vice admiral, a graduate of the Army Command and Staff College and Navy War College Senior School. We have not

done that in the past a whole lot, and you know that. We are making real progress.

We have stood up, even as we are downsizing, we stood up the naval doctrine command, and that is good. And they have gone through their initial work of updating our doctrine and publishing it, but now they are doing concept development and exploration, much as General Krulak talked about.

It is important that they have a place to talk about that and to test it in the most modern way in war games, and we have a \$10 million war gaming center that you funded a couple of years ago. We have been trying to get the other 18 to do a real quality facility, and we have not been able to come up with that yet. So it is a concern to me, and it is something we will probably want to talk about later in the year. I think that is a real demonstration of what we are trying to do, and it will help us.

Finally, let me say that my problem is not so much money right now with respect to getting students there and having students who are of the right quality. The problem is with having enough officers to do it. So this year we have asked for a slight increase in the DOPMA grade tables, not something we would normally worry about in the full committee, but I think it is important. I need a few more lieutenant commanders and commanders, not great numbers, so that we can have the time during their careers to educate them. Not asking for more officers, just to skew it a little bit more.

The reason for that, to be quite honest, is Goldwater-Nichols caused us to have many more senior level joint billets but we didn't get increased people to do that. In order to be able to train people and send them into those joint jobs, I have to have them. I can't just make them out of nothing. So this year I really need your help in not increasing the size of our officer corps at all, but slightly increasing the numbers in those control grades.

General FOGLEMAN. Well, Mr. Congressman, I would tell you that we very clearly see professional military education as really the, if you will, the seed corn out there for future leaders. In fact, during the past year we have expanded the attendance at our first level of professional military education and now have gone to 100 percent attendance at our squadron officers school. We have done that because, as we look at the disciplinary problems, we look at the understanding of the values and standards of the force, the basic understanding of the profession, we think that it is critical that everybody have the opportunity to attend such a course at that point in their career. So we have done that. We think it increases their understanding of the profession and what is expected of them.

We have also, as you know from the past—I think if you go down to Air University you will be pleased to see the continued improvement that we have made down there in the quality of the curriculum and in the use of things like distributed education assets, where we can actually take these students and tie them into exercises from one war college to another and from one service to another, so they are getting both the professional military education as well as some good practical training while they are there; and it seems to make a big difference in the motivation of the people.

Just as an aside, to show you how far reaching the benefits of these senior service schools are, yesterday I shared the podium with a Swedish air chief at a symposium, and it turned out that he is a 1989 graduate of the Air War College. And I think across the air forces that I have had an opportunity to interface with over the last 6 months, I have run into about three or four of these people. So they are certainly sending the right people and we think we are.

General KRULAK. Sir, I think in my statement I pretty much laid out what I feel. I believe that equally as important as modernizing your systems, you need to modernize your mind, particularly with what we are about ready to face in the 21st century. I think it is critical. We in the Marine Corps have increased funding in both our training and education accounts. We are increasing the number of people going to school for the very reasons that you have talked about.

We are also taking the schools into the individual work space, where marines on a daily basis are taking war-fighting exercises in the first 30 minutes of their time at their normal work space, just to continue with their day-to-day education in war fighting, and I think it is critical.

The CHAIRMAN. Thank the gentleman.

Mr. Weldon.

Mr. WELDON. Thank you, Mr. Chairman.

Gentlemen, forgive me, but I am disgusted and I am not going to play along with the game today that the administration puts us in every year, where they present a request for a budget that is far below what you have asked for, knowing that you cannot come out and tell us what you need publicly.

We hold these hearings and then you or your representatives come and lobby us for those priorities you know are critical and that you asked for and didn't get. We put the money back in, as we did last year, much of which you have acknowledged today. General Reimer used the quote that we "plugged some big holes." General Fogleman said we have "helped him out." All of you have made specific cases of what we did last year.

Secretary Perry gets up here, in one of the most hypocritical presentations I have ever seen, and shows us a bottoming out of the acquisition line saying that the Clinton administration supports acquisition as evidenced by the line over the past several years, when he was the one who criticized us for plussing up the acquisition account by \$7 billion last year. So last year they were critical; this year they are taking credit for it.

I am disgusted with the process and the way it works. You and I both know what goes on, and I don't want to be a party to it. We have a photo op Commander in Chief who uses the military when it is good for his image, but when it comes down to asking for those priorities that are essential to allow us to meet not just the readiness needs of Haiti and Somalia today, which we know are the reason the readiness accounts are up, but the capitalization requirements of tomorrow, the money is not there. And that is outrageous to me.

So let me ask you a question. This is the JCS review of recapitalization that was submitted by General Shalikashvili to Secretary

Perry. As you know, this request, which was the legitimate Defense Department request, not what the media calls Secretary Perry's political photo-op Clinton defense request, this is your real request for what you need over the next 5 years; and in this request, you state that starting in fiscal year 1998 the acquisition accounts should average \$60 billion a year.

Are the recommendations that you are going to give to the chairman following this hearing the same recommendations that were in that JCS request for the next 5 years in terms of capital acquisition accounts? Are they the same recommendations?

General REIMER. Ready to start?

General KRULAK. I will take that first, if I may.

Mr. WELDON. I knew you would, General.

General KRULAK. First off, since 1971 the Marine Corps' procurement account has averaged \$1.2 billion. This year, my green account is \$556 million—\$556 million, less than half. I think that all of the Chiefs believe that the \$60 billion is where we ought to be.

Mr. WELDON. Thank you, general, and that was in the JCS internal document that none of us can see because this administration will not allow General Shalikashvili to give us his recommendations. If you read the Washington Times with the reprint of it, you will see it in black and white.

Admiral BOORDA. Let me answer you directly. My recommendations for adding money back, if there is money to add, will be in exactly that line and exactly in accordance with our discussions when we developed that guidance.

Mr. WELDON. Thank you, Admiral Boorda.

General REIMER. I would say the same thing, Mr. Congressman. We talked about the \$60 billion. We all agreed that was probably a good figure as a goal up there. The issue here for us in the Army is we must keep it balanced. If we don't have enough in the personnel account to train our people and take care of them, putting all that money in modernization isn't going to do us any good.

So what we tried to do with the 1997 budget was to keep it balanced. We are underfunded in modernization, we realize that, but we are trying to keep the Army held together through a balanced program.

Mr. WELDON. I agree with you, general. Let me ask this.

We have some internal documents from DOD on their planned fiscal year unfunded costs. You are saying we should not put it all into modernization, and I agree, readiness is a top priority.

Should we put \$3.6 million into Haitian police training travel costs out of DOD's budget? Should we put \$2.5 million into the Palestinian police drawdown for equipment? Shall we put \$3.7 million to refurbish equipment for Somalia?

I don't think they are necessarily issues of modernization or readiness for our troops, and that is what this administration, who criticized this committee for plussing up funding last year, is going to ask us to do with dollars that we put in last year. That is the hypocrisy that has to end.

Just like when this President stood before the American people and pounded his fist on the dais in the House Chamber and said, I will not stand for any more defense cuts, I am going to put \$25 billion back into the defense budget. Well, that is great after the

next 4 years are over. We all know that is a great pledge. That is what I am talking about.

We didn't give General Fogleman a chance to answer.

General FOGLEMAN. Well, I am in that position of having watched the Air Force procurement accounts decrease by some 60 percent. We had no fighter procurement in our 1994 budget, none in our 1995 budget; there was a plus-up from the Hill in the 1996 budget. We have made these kinds of decisions in order to try to keep a balanced force. We are living off of the procurement of the past. It has to stop. That is why we were a part of that decision that said, we need at least this level of funding as we go forward.

Mr. WELDON. Thank you.

The CHAIRMAN. Mr. Pickett, the gentleman from Virginia.

Mr. PICKETT. Thank you, Mr. Chairman, and I want to welcome our witnesses today.

Admiral Boorda, one issue that is kind of a carryover from last year has to do with the Navy practice of spot promotion. I wonder if you could tell us a little bit about why that is important to you, and as I understand it, how it operates to save the Navy some money.

Admiral BOORDA. Basically what has happened is that, as we downsize, following the Korean war, we took a smaller portion of our force and said it was going to be officers. And over a long period of time, that is the way we have been, with a smaller officer corps than you might otherwise start with if you were writing on a blank piece of paper.

Then DOPMA was passed. When DOPMA was passed, it gave grade tables for that officer corps based on its size. So not only did we end up with an officer corps that was smaller than you would expect for our force, which hurt things, like I talked about with Congressman Skelton; it also then became more junior than the billet structure, the jobs that it had to do. That was particularly pronounced in the more junior, middle grade officers, lieutenant commanders, for example.

So we now have, as a result of all of that, several officers, and by several, we are talking about the low hundreds, who are serving in much more responsible, much more demanding at-sea positions primarily in nuclear engineering, but in other engineering tasks as well, whom we need to motivate and properly compensate for what they are doing. So in order to overcome those grade tables, and corps size, which is not right, we have asked for the ability to spot-promote people who are in those jobs, who are doing a good job, and have that pertain only while they are in the position.

I think that is more than just a morale factor; I think it is a readiness factor, and we would like to continue it.

Mr. PICKETT. Thank you. The next question is for all four of you gentlemen, and it has three parts to it so you might want to note it.

Beginning with the readiness issue, I would like to know if each of you believe that your budget adequately funds your readiness for 1997. But along with that, each of you, I think, has mentioned the issue of quality of life. There continue to be initiatives toward interfering with the military resale system, and I would like to know if you all believe this is an important benefit that our mili-

tary members have become accustomed to and depend upon and if you think that it is important to continue that benefit as a part of our quality-of-life program.

I would also like for you to comment on the personnel tempo, and tell us whether there is anything that you can do in your respective service to try to moderate the tempo which seems to continue to increase?

And third, I would like to know what impact the requirements relating to full-time equivalent civilian employees is having on your operations, whether it is becoming difficult to comply with the requirements for downsizing your civilian work force at the rate that you are being required to do it, and if that is having an impact on your readiness. Whatever order you gentlemen would like to answer those.

General REIMER. Let me go ahead and start, Mr. Congressman.

I would say on the first part, in terms of the near-term readiness, the 1997 budget, the amount of money that we put into—the OMA account, I think, funds at the minimum level the readiness of the force. It will keep it up where it is basically right now.

What that does not take into consideration is any unprogrammed contingencies. If those are coming without resources, then you have to cut into your OMA accounts, and that is a given and we all understand that.

In terms of the quality-of-life issue that you mentioned and how important are the benefits that our soldiers get from medical care and commissary and PX and retirement benefits, I would echo what I think Mike said about the stability of that particular program.

We have changed this retirement system three times since I have been in the military. What our soldiers want to know is, what is the system? Can we make a commitment to them and are we going to honor that commitment to them? I think it is terribly important we get across to the force that we have a stable benefit program and we are going to keep it stable. So I think that is terribly important.

In terms of PERSTEMPO, what can we do to reduce it? We are doing an awful lot right now to try to reduce it. We are trying to substitute those units that are most frequently used. In our case, since the wall came down, it has been units like Patriot, it has been military police and our combat service support units.

I said good-bye to a young soldier at Fort Bliss, TX, about 1 year ago, and he was on his seventh deployment since Operation Desert Shield. His family, with a wife and two young kids, were out there. That is tough on them. So we are trying, where we can, to replace them with other units.

Patriot is difficult because that is almost unique, but we can take the military police and we can take some of the combat service supports and we can spread that across the force through America's Army, the Reserve, and the National Guard and pick up some of that.

So I think we are doing everything we can. We are very, very sensitive to that issue, to try to dampen that down and hit those MOS's that are most affected by it.

The last point had to do with the full-time equivalents and the civilian work force. We have reduced the civilian work force now about 37 percent since 1989, and we are not quite done with the reduction yet in that particular area. I will tell you that I am getting a little bit concerned about the borrowed military manpower that is going from some of the troop units to run some of the essential quality-of-life facilities. That is something we have to watch very carefully. Right now, I think it is controllable, but it is going to get away from us if we don't keep our finger on the pulse. So, yes, I am concerned about that part of it.

Mr. PICKETT. Thank you.

Admiral.

Admiral BOORDA. I want to answer quickly, because in most cases our answers are going to be exactly the same. With respect to near-term readiness, that was the going-in position of putting this budget together, so we funded that as a minimum, at the minimum levels.

Where our problems will come is with unfunded requirements, and also because O&M is a large account, it sometimes is used to move money around to pay for other things. We need to watch for that because we put the readiness money in, but at the minimum levels, to do what we now know we have to do; and, of course, we have not funded the unknown.

With regard to OPTEMPO, we have done a few things in the Navy this year—

Mr. PICKETT. You didn't mention the issue of quality of life and the resale system, commissary exchanges, whether that is an important benefit to you.

Admiral BOORDA. I will get to that. I can do that next, if you want.

With respect to the entire resale system, but the whole benefit system, in truth, the best thing we can do with that is leave it alone. It is working. They don't need to hear about it and see in all the newspapers, particularly the ones that they read a lot, that you are going to lose this benefit or you are going to lose that benefit; and then we flail with it together for a year or two, and they don't lose it. And the loss was on page 1, the saving is on page 97, and nobody ever gets to page 97. So as far as they are concerned, they lost it.

Couldn't we just leave them alone? I think that is the best answer. They would like that a lot and so would I.

With respect to OPTEMPO, we have been able to get ships home and people home at the 6-month point. Six months is a normal deployment for us, and they are doing that. But we realized that we cannot keep doing this for the long haul with some of the force levels that we have; and so this year in the budget we have kept three additional squadrons that we were going to decommission. Instead of decommissioning them—they are an F-14 squadron and two A-6 squadrons—we are going to transition them to F and A teams and keep our squadron numbers up so that we are not beginning to overtax our aviators. We are dangerously close to that right now.

In addition, in our surface ships, we reorganized our fleet in a more innovative way to avoid doing exactly what we were worried about doing, and that is why we have built the Western Hemi-

sphere group to take things like South American work, counter-drug ops, some of the exercises, and free up the newer battleforce ships to make the longer deployments, the Aegis cruisers and the DDG-51's. It is why I want to keep the DDG-51 building program going, so I can keep that replenished and fresh, and we need to do that.

Finally, with regard to civilians, our cuts are probably about the same percentage across the services because in many cases they have been mandated. We are looking for about an overall, by the time we are done, 35-percent cut in our civilian numbers, and we are pretty close to there. And I think we are at this time—particularly in the wage grade, which I think is a lot of what you are talking about—where we should be managing, not by FTE, but by funded workload.

General FOGLEMAN. Well, again, going down the list, Mr. Congressman, 1997 readiness, I believe, is funded; and quite frankly, we are pleased that in the 1997 budget that came to the Hill there was, in fact, some contingency funding in there, which gives us some recognition of the fact that there will be operations ongoing into 1997. That has not always happened as budgets have come across. I know that in the past when we have done that sometimes that money has not made it through the process. But from our perspective there are certain of these contingencies that look like they are going to continue.

On the other hand, for instance in the case of Bosnia, that contingency has only been funded for one quarter, because we have an objective and a goal to be out of there within a year, and so the first qualifier of the fiscal year should cover that and we should not have to have it. So we need to look, I think again, at the unprogrammed things that will come up which would impact us.

On quality of life, what has been described by both General Reimer and Admiral Boorda is a fact of life. There have been so many initiatives. There have been in the past—and it is such an emotional issue with the troops that the best thing would be some stability. And in some cases that may be unfortunate because what you are doing there is, you are giving up brainpower and innovation and looking at other ways maybe to provide something. But we have just jerked the troops around on these things so much that they don't have a lot of faith and confidence in us.

So, for instance, I know the latest thing is a review of the commissary system, maybe a private corporation kind of thing. I don't know whether that will work or not. I have not seen the details of it, but I can tell you that that is going to inflame the passions of the troops out there, whether it would—even if it were to save them more money in the end, if that were to come out, perhaps because they just have not seen very many things that work to their advantage in this. It has always been sort of a detriment.

Finally, in the PERSTEMPO, the things that we have done, first of all, we decided it was very important to know what the PERSTEMPO was, and so we turned to the Navy that has a kind of a system that puts a mark on the wall. We operate entirely different, but they have their 6-month crew that is going to come back, they have their training they have to do, then they have their

6-month workup. So in an aggregate, that looked—you know, you are talking about somebody being gone about a third of the time.

And so we took a simplistic approach that said, we do our deployments differently, but that looks pretty reasonable to us, 120 days a year. If we don't exceed that, that should allow somebody time to take some leave, do some home station training, do the spinup to get ready to go to the next specific tasking, whatever it is.

Since we started that, the first year we started it, 13 of our 21 weapon systems, we exceeded our own standard. So we went to work, we used more of a total force. We really got the Guard and Reserve involved, and that has helped drop the OPTEMPO in those weapon systems.

We went to another thing called forcewide tasking, which in the past, if something was happening in Europe, either the forces in Europe or the people in CONUS took care of that. We have now started going to the Pacific and talking to the CINC out there and moving forces back and forth to make sure everybody gets a chance to operate.

So the combination of total force, forcewide tasking and in some of these high-use systems, like AWACS, we have now stood up and are starting to man a Reserve associate unit, which essentially will give us more crews per the same number of airplanes, using reservists, and so we hope to drop the OPTEMPO.

Finally, on the civilian work force, when we started our drawdown in the U.S. Air Force, we had about 266,000 civilians. Today we have about 195,000 and we are driving to an end-state of about 165,000. I would tell you that going from 266,000 to 195,000 was painful, but we were able to sort of pick off some low-hanging fruit, do some things, and do that without really having to dedicate too much blue suit labor to jobs and still get the job done.

It will be painful to make that next drop, and we will need some, I really believe we may need some legislative assistance in that for incentive programs, these kinds of things.

Mr. PICKETT. Thank you.

General KRULAK. Sir, I will be very brief. On the readiness, again that is why we have a Marine Corps; it is the expeditionary force in readiness. So that is key to me, and that is what we put our money against.

Second, the PX and commissary and other areas, I agree with my fellow service Chiefs. We just have to hold the line there. We cannot continue to jerk our people around.

PERSTEMPO, we are working very hard on that because, like I mentioned, we have a lot of marines out doing a lot of things. We have got a similar system as Mike Boorda has and that Ron has just described that looks at our exercises, looks at our deployment, tells us where we can use other forces, that is, the Reserves.

I mentioned that we have over 37,300 Reserves right now on a major exercise. That is the wave of the future. You just cannot continue to look at yourself unless you look at yourself as a total force. So we are doing that.

On the civilian work force, we have a very small number of civilians working for the Marine Corps, and we have experienced no problem in our drawdown.

Mr. PICKETT. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Saxton.

Mr. SAXTON. Thank you, Mr. Chairman.

Gentlemen, I have several questions that I would like to submit to you in writing. General Reimer, I have a question for you about Reserve training in the Northeast.

Admiral Boorda, I have a question for you. Our DDG Program, I would say in a kind of humorous vein, last year we authorized three, this year we are asked to authorize four, so we can add four to three and build six. That is fine, just so it works, and I think there may be some problems in getting it off the ground. I will submit that question in writing.

General Fogleman, you mentioned the re-engining program. I will submit a question to you, if I may, in writing.

Let me ask this question. In today's press there are—we are talking about what I call three potential MRC's. We have one potential in Bosnia, we have another potential in China-Taiwan, we have another potential in the Middle East—not Israel necessarily, maybe Saudi Arabia, which I think is another problem—and those are in the paper today. Korea is not in the paper today, which I identify as another potential MRC.

I was sitting having lunch the other day with a retired Army friend of mine and we were talking about how we have these potential MRC's when we have planned for two and how we could stretch ourselves, could happen in the next several months where we have two or more MRC's.

He says, well, I have news for you. He said, you have not heard all the bad news yet. Some of my friends in the Pentagon have been tasked to plan for a one-MRC scenario with yet another Bottom-Up Review to come.

Now, let me ask this as specifically as I can. I don't like putting people on the spot, but is that true? Have you all been tasked to make ready for another Bottom-Up Review, and have you been tasked or do you expect to be tasked to plan for a one-MRC scenario?

General REIMER. Congressman, I will let everyone else speak for themselves, but I have no knowledge of any tasking to plan for a one-MRC. In fact, that has been just the opposite. We have talked many times about the need to hold to the two-MRC.

I am not saying there is not somebody in the Pentagon somewhere that is not doing some planning, but I will tell you there is nothing that has been tasked that I know of to do that type of thing. I think we are holding right where we are at the two-MRC.

Admiral BOORDA. My answer is exactly the same. I am sure there is somebody somewhere writing papers as we speak on just about every subject you can think about and looking at it from every direction, but I have had no tasking, either formal or informal, to do that.

I think that for us in the Navy, and let me just speak for the Navy, two MRC's is a placeholder for force structure. There are two directions—I was going to say two oceans, but there are a lot more oceans than that—but two directions in which we can go. We need

to have mass as well as capability, and we need to be able to be where we need to be.

I hope I explained that well in my opening remarks, and both Chuck and I talked about it a lot. So the way of thinking about two MRC's generates the kind of numbers we need to properly support the other forces and do what we need to do. And to be quite honest with you, if you called it something else, I think I would still come up with about this kind of force to do the job that I think needs to be done. I think it is an exercise we don't need to go through, to be quite honest.

General FOGLEMAN. Again, I would have the same answer to the basic question. I know of no tasking, either formal or informal, and I would also comment along the lines of Admiral Boorda.

I have already explained to the chairman that our end strength in the U.S. Air Force is projected to go below the end-strength floor that has been set. We plan to make the appropriate report in accordance with the legislation on that, and we have made no secret of the fact that we have never had the force structure that was called for in the BUR to execute the two-MRC strategy.

We felt, to this point, that because of the inherent flexibility, the range, the speed, the capability to move from one theater, the fact that the two-MRC strategy swung an awful lot of air forces was probably achievable, but it is certainly something that is on the margin; and as we described the risk associated today with the force structure and two MRC's, we would not like to see that occur here.

General KRULAK. Sir, I have not received any tasking nor have I heard of any tasking for us to look at a one-MRC. I agree with my fellow service Chiefs that somewhere in the rabbit warrens somebody could easily be thinking about it, but there has been nothing to me about that. Obviously, 174,000, if we went below that after describing how active we are right now, I think we would literally break.

Mr. SAXTON. Thank you.

The CHAIRMAN. Mr. Tanner.

Mr. TANNER. Thank you very much, Mr. Chairman, and I want to thank the witnesses today. And may I take this time to express my personal admiration and appreciation for what you all are trying to accomplish.

This is one of the most difficult periods in our history, militarily speaking. We don't have as clearly a defined enemy threatening our territorial integrity or our sovereignty as we have had virtually all of my life, and therefore, it becomes a difficult exercise at times to adequately express to the American people what those of us who serve on this committee and who understand, I think maybe a little more than some of the other elements of our society do, that there are dangers there that we need to be concerned about and so on.

I will not make a long speech about that, but I simply wanted to say that, because I know that each of you is serving in a time where there are priorities being made that really have not had to be made before by your predecessors in office, because we had the cold war and we had all of the dangers that were more easily explainable to our citizenry than we do today. So I want to express

my appreciation for what your assignments are and how you are performing, because I think you are performing magnificently.

I am going to have a couple of comments and then maybe a couple of questions, and I would like leave to submit a couple of questions on the ammunition question for both the Army and the Marine Corps, as well as to Admiral Boorda on a couple of things that we have talked about previously as it relates to naval personnel.

Making the observation—as I heard you all talk about the total force concept, I know there is a lot of activity going on, particularly in the Army, with the Guard and Reserve and so forth, and the total force concept. I have been privy to a couple of briefings, and I think that I am encouraged by both the mix of the force and the missions that I know about, General Reimer.

I would just simply ask that as all of you gentlemen go through the total force exercise, as to mix and mission of the force, that we continue to keep in mind that the Guard and Reserves need to be afforded the same modernization, talking about the M-1A tank, the school question. I know sometimes it is harder for the Guard and reservists to get to schools that are 8 and 9 months long, but I would hope that there would be slots made available for that.

One specific question for General Reimer. Do you know where the rescission package is that contains the Kiowa Warrior OH-58, General? I know the Army has not been heretofore supportive of the rescission that is, I think, at OMB now.

General REIMER. I am not sure where it is right now, Congressman, but—

Mr. TANNER. I would think that would be a terrible mistake, and we will try to do whatever we can on that one.

I know there are some other people who want to try to get through some questions before lunch. If I may, Mr. Chairman, I will submit some questions for the record.

The CHAIRMAN. That would be fine.

Mr. TANNER. Thank you, Chiefs.

The CHAIRMAN. Mrs. Fowler.

Mrs. FOWLER. Thank you, Mr. Chairman, and thank you all for being here. I just have a comment I would like to make and one question, please.

You all, I know, are very aware there has been a debate raging in this Congress for some time with regard to depot level maintenance of repair and whether or not we should privatize the logistics support that you war fighters currently rely on, on our depots. A number of people in the Pentagon have contended that there are savings ostensibly available to the military from privatizing our depot functions. Out of the data I have seen, it suggests that this privatization is not really the panacea that they might believe, and for instance, GAO has reported in two different studies—and I have them here, one in December 1994 and one just last week—that the cost of operating the Aerospace Meteorology and Guidance Center, which is, as you know, a small, specialized depot that was ordered closed and privatized by the 1993 BRAC will be some \$456 million to \$600 million more expensive to operate over the 5-year period from fiscal year 1996 to 2000 than would have been the case had it continued to operate as a Government depot.

Likewise, when DOD commissioned the independent firm Coopers & Lybrand in 1994 to determine the most cost-effective location for maintaining the F1D2 engine, which powers the Air Force F-117 stealth fighter, Naval Aviation Depot, Jacksonville, was found to be significantly less costly than was the private contractor that originally designed and built this engine. By moving this workload from a private contractor to a public depot in 1995, the Department was able to save itself and our taxpayers millions of dollars.

Now, these are just a couple of examples, but there are many other instances where it can be shown that depots not only ensure greater readiness, but also provide significant savings to the Government and the taxpayer. I would hope that each of you, as service Chiefs, would carefully review these reports before you let yourself be led or pushed down this privatization path for depots, because I think you can make a lot better use of these dollars in the things you need and what you have been telling us you need today than wasting them in this privatization effort.

My one question is, and I will start with you, General Krulak, because I know, as our Nation's top marine, a critical issue for you is readiness—and I am hearing from each of you that readiness is so important—could you comment on the Marine Corps' perspective on privatizing our depots and the implication for the readiness of your forces?

And I would like an answer from each of you on that question.

General KRULAK. Yes, ma'am, I can answer that question, and you hit the nail right on the head.

For us, readiness is critical, and it has to be responsive. We find ourselves often needing to make changes, needing to make quick fixes, and having the ability to do that, as the commandant, is very important to me.

At the same time, we have equipment that is not unique across the services. The LAV is something that is just the Marine Corps'; the AAV, just the Marine Corps; the truck that we have, the LVS, is solely a Marine Corps item. So it is critical to us that we be able to deal with those items of equipment rapidly and that we keep it within, quote, the family.

So although there are areas that I do believe can be privatized, the privatization of something like an Albany, which looks to the East Coast Marine and the 2nd Marine Expeditionary Force, in Barstow, which is looking towards the 1st Marine Expeditionary Force, I am not sure that would be good for the readiness of our Corps.

Mrs. FOWLER. Thank you.

General Fogleman.

General FOGLEMAN. Well, clearly, readiness needs to be the top consideration when you deal with the issue of privatization.

Interestingly enough, readiness cuts both ways on this issue, because clearly in the case of a situation where you have a militarily unique asset, you cannot even find, or you will pay a tremendous price to have a private firm maintain that. An example, for instance, would be C-5 landing gear.

Clearly, the landing gear facility we have at Hill Air Force Base is, for all intents and purposes, the only place in the Nation that

you would be able to get that done, and so we would not look to privatize such an operation.

On the other hand, if we go buy engines from a commercial version of an engine and put it on our aircraft, it appears here as though we may get much better readiness out of having that in private hands. But clearly, as we look at the issue of privatization, readiness must be our first consideration, and the fact that we may be able to save some money or close an installation ought to be secondary.

Mrs. FOWLER. Thank you.

Admiral Boorda.

Admiral BOORDA. Let me answer that this way. We have just gone through a gut-wrenching exercise of BRAC. It has been over several—I think four—different iterations, and in the Navy—and I mean the Department of the Navy—Chuck and I, we have reduced from eight shipyards down to four, two on each coast of the United States, two nuke capable, two large nuclear capable, and we have gone from six depots in both our services down to three, a fixed-wing one on each coast and one helicopter depot. I think we are there for a little while, and we need to let this settle out.

We are still spending money to close what we are closing, and so the idea that we move workload out of the last three depots, the one in your district included, right now we have to see a compelling case that says we are going to save money.

I don't know how you can do much better than cut it by half. We have cut it by half, and now we need to have time to let that work. And by the way, it costs investment money to cut, so we need some time to let that happen, too.

Mrs. FOWLER. Thank you.

General Reimer.

General REIMER. I would echo that readiness is the litmus test in this particular area.

Just speaking from the Army's standpoint, I don't necessarily think that privatization for privatization's sake is good. I think there are a couple of issues here that need to be identified. One is, I think we have to identify those core competencies that work. That is absolutely essential that we do, and we have to make that determination, and we are in the process of doing that.

The second thing is, I think we have to do that as efficiently as we possibly can. So I think the opportunity for privatization makes us all more efficient.

I visited some of the Army depots. They have great work forces over there. They need to be more efficient. They are willing to be more efficient. I think we have to, when we address this problem, try to make sure we get the most readiness out of every dollar you give us, and that is what we are pledged to do.

In that regard, I would just like to respond on the civilian end strength. There are some things we need to look at that inhibit us from doing that, things like the 60-40 rule, the Davis-Bacon Act, the A-76. All of that has to be looked at to see what is appropriate and not appropriate as we strive to become the most efficient organization possible.

Mrs. FOWLER. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, ma'am.

The gentleman from Texas, Mr. Tejeda.

Mr. TEJEDA. Thank you, Mr. Chairman.

Mr. Chairman, I want to thank and welcome each and every one of the commanders who are here.

Each of you have spoken about the increased operational tempo of our forces, and I believe this committee does and should recognize that our military is engaged in today's world. You have made that clear. I thank you, and I look forward to working with each of you this year.

General Krulak, I applaud your initiatives within the Marine Corps that challenge the current mind-set with a vision to the future. The Marine Corps should be proud of your leadership, and we are certainly pleased to have you before us today.

I have a brief question. Since you have already mentioned cold weather gear and tents, I would like to hear about Marine Corps housing and barracks.

General KRULAK. Yes, sir.

It is no secret that the barracks in some locations in the Marine Corps are more than substandard. I went with my godchild into his barracks. He is a lance corporal in the 1st Battalion, 3d Marines in Hawaii, and I was appalled at what he was living in. "Appalled" is probably a mild word for it. We have some problems.

We are building some barracks, we are building some homes, we are doing some whole-house rehab, but it is not to the level that either I, as the commandant, or you, as a public servant, would be very pleased about. It is simply a matter of available money. We are doing everything that we possibly can.

We have received help from the Hill. It has been greatly appreciated. We have received help from the Department. But we are not where we ought to be.

Mr. TEJEDA. Thank you, general.

General Fogleman, you thanked this committee for last year's plus-up in MilCon, and I would like to know if you need more help this year for what is happening there.

General FOGLEMAN. Well, we again have presented a constrained MilCon budget to the Hill, and, clearly, as we look out at the programs that are coming down the road, if they were to be accelerated, particularly as we look at things like our barracks, those would be appreciated.

Mr. TEJEDA. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. TORKILDSEN. Thank you, Mr. Chairman.

I also want to thank the distinguished witnesses for their testimony today. I will just start off with a brief statement and then ask a few very specific questions for Admiral Boorda.

I will echo the comments of my colleague on the F/A-18 upgrade. I think it really is a key part of our defense, and, as you do, I applaud the fact it is on time and on budget. It is essential to say that about, I think, any acquisition program, and I just want to echo those earlier comments.

For General Fogleman, I also applaud your comments on quality of life issues. Clearly, the most valuable resource we have in the

military is our personnel, and asking them to make sacrifice after sacrifice has to be tempered with giving them decent living conditions. Specifically, in my own district, at Hanscom Air Force Base, I applaud the Air Force's commitment to upgrading housing there and am glad to see that moving forward and want to see it completed as soon as possible.

For specific questions, for General Reimer: According to the Army Times, the Army is planning to heavy up the 2d Armored Cavalry Regiment and has all the major equipment assets on hand to support conversion except for 16 Longbow Apache attack helicopters. Is this correct? And does the Army need additional Longbow Apaches to make the 2d ACR an effective heavy force? And can the OH-58D Kiowa effectively perform the attack helicopter mission of the 2d ACR?

General REIMER. No decision has been made on the heavying up of the 2d Armored Cavalry Regiment, for the first answer. That is something that is under advisement. We are looking at that, and there has not been a final decision made on that.

The issue really is that the 2d ACR is one of two armored cavalry regiments in the Active component. There is one also in the Reserve component.

As you look at the different war plans and the different opportunities to employ armored cavalry regiments, there seems to be growing emphasis or the desire to have more armored cavalry regiments than what we currently have. So it is an issue that is being worked right now but has not come to me for decision, and I have not made a recommendation to the Secretary.

If the decision was made to heavy up the 2d Armored Cavalry Regiment, it is not as clean as just a number of Longbow Apaches. There is a plus-up that is required in terms of end-strength that is very difficult for us to figure out how to do.

In other words, we would have to take something down in order to build something else up. That is a difficult hurdle to get over. That is a whole new array of equipment that is required for heavy armored cavalry as opposed to light. These are issues that have to be factored in.

So, first of all, no decision; second, it is something we have to look at very, very hard.

Mr. TORKILDSEN. Another question, General: The Army, in its Crusader program, I believe, has told the Congress that it offered improved mobility and range and firepower advantages over the liquid propellant gun.

How did the range in firepower of the liquid propellant gun and the solid propellant gun compare? And does the Army believe the advantages alone justify the cost of that program?

General REIMER. The range on a liquid propellant is estimated to be about 47 kilometers. The range of a unit-charged solid propellant is about 40 kilometers. So there is a range differential between liquid and solid propellant.

The issue is whether you can weaponize liquid propellant at the time frame we need it to be weaponized. That is an issue now, that is working, that is very close to resolution. We have had an Army Science Board look at that. It is starting to work its way through the decision process, and we have to make a decision as to whether

we think we can bring it on if the risk is such or if we have to go to the unit-charged solid propellant.

Mr. TORKILDSEN. Thank you.

For General Krulak, a couple of brief questions. I understand that current doctrine indicates the Marine Corps needs an additional or additional maritime prepositioning ships to fulfill its mission requirements.

Is this true? And if so, how many ships do you believe the Marine Corps would need?

General KRULAK. We have a requirement for three additional MPF ships. We are calling them MPF-E, for Enhancement. They will carry such things as an expeditionary airfield, some of Mike Boorda's bulldozers, et cetera, from a Seabee battalion, a fleet hospital, things along this line that would be used not only for major regional contingencies in crises, but, equally important, if you had a disaster relief requirement, they would also play there.

Mr. TORKILDSEN. And following up on that, I understand that the acquisition strategy for these ships has the potential to fulfill the Marine Corps' requirements without upfront funding and to send much of this work to U.S. shipyards.

Have you considered a built-in charter acquisition strategy to fulfill this requirement?

General KRULAK. We have right now \$110 million—that is through the good auspices of Mike and his people—out for bid here within the next couple of months. We had hoped to have that ship on bid by August of this year.

Tied into that is the opportunity to get a second ship tied to that same contract, and the money is not there now, but that is the sensible and cost-effective way to go.

Mr. TORKILDSEN. OK. I thank you for your answers and yield back the balance of my time.

The CHAIRMAN. Thank you.

The gentleman from Fort Worth, TX, Mr. Geren.

Mr. GEREN. Thank you, Mr. Chairman.

Our junior colleague, Mr. Montgomery, is gone. I wanted to thank him for acknowledging the service of the 301st in Bosnia. They came home very proud of what they did over there, fine service, and it really was heartwarming to be on the tarmac last Sunday and see them get out of those aircraft and see the children run up and jump up in their arms and welcome them home.

It really performed wonderful service for our country, and it certainly made me and our community proud to be able to be home for the 301st and support them in their efforts. And, General Fogleman, we certainly thank you for the leadership you have given in helping to bring about and integrate the Air Force Reserve's total force concept.

Mr. Chairman, I don't know how many years we are going to have to listen to the Marines talk about how they don't have Gore-Tex boots and Gore-Tex tents and Gore-Tex rain gear. With acquisition reform, I suggest we give the Commandant a catalog and gift certificates.

General KRULAK. Sir, that was my second point.

Mr. GEREN. And let us get that behind us. It certainly seems that those are, particularly with the successes we have had with

acquisition reform, and that was exciting to hear how the JDAM missile has come down from \$40,000 to \$14,000. What a wonderful credit to the military and to the Congress, working together to help spend the taxpayers' money better, and in such a short period of time to achieve that.

I wish that the general public knew more about that success. We always hear about the failures in the acquisition process, and that is a tremendous success. It means so much to us, and I think the Congress and all of you deserve a real pat on the back for bringing that about, and I was glad to hear of it. I was not aware of such a tremendous reduction in the price.

I would like to ask a question of the Commandant in regard to the V-22. You have said the current buy rate is ludicrous and dangerous and we need to get on with it. There are concerns that, at the current rate of production and the switch from the AMB to the lower eight initial production, that we are actually going to have some downtime there and going to lose some of the skilled people that will be necessary to bring that on.

If you could expand a little bit on your comments earlier and help educate us on how best to spend the money in bringing that program on.

General KRULAK. Yes, sir. If we continue with the buy rate as it currently exists, the final aircraft will hit the fleet in the year 2023—2023—a 27-year procurement. The CH-46, which is the same helicopter that I flew as a second lieutenant, flew in as a second lieutenant in Vietnam, will be 50 years old. It is my belief that we need to ramp that up. I think that if we went at 36 a year, we would find that we would save 11 years and \$8 billion.

To me, to have people flying around in a 50-year-old aircraft in the year 2023, when we could have had it 11 years earlier and \$8 billion cheaper, it just does not make sense to me.

Mr. GEREN. Save \$8 billion over the course of the buy?

General KRULAK. Yes, sir.

Mr. GEREN. Thank you. I appreciate that.

General Fogleman, you touched on the inadequacies in the TACAIR area and didn't go into much detail. Could you talk a little about that, specifically in regard to the need for F-15's and 16's, and look at the kind of shortfall that you anticipate in advance of the JAST coming on stream?

General FOGLEMAN. Yes, sir. First, if I could, I would like to back up just a second and talk to this issue of the priority that it has in the budget and why this is potentially going to become an issue here in the near term.

If you go back over the last 30 or 40 years, what you discover is, within the Department of Defense we sort of modernize in cycles, and so if you even go back to the bleak days of the late 1970's, when we clearly had a hollow force, the 1970's happened to be a period of time in which we were modernizing TACAIR.

The Navy was spending a lot of money on F-14's at that time. That was really when they were starting to ramp up. The Air Force, the AV-8 was coming into the 1970's; the Air Force was starting to bring on the F-15, the F-16, and soon the A-10.

So if you were to go back and look at the budget—and I have had my people do that—it would look like it was disproportionate. But

if you go to the 1980's, then you find very little money relatively spent on TACAIR because that was the period of time in which we were funding strategic programs, both Navy programs and Air Force programs, D-5's and the subs, and we had rail mobile missiles and the B-2 and all, B-1, all these programs.

Then, as we got into the early 1970s, we started to focus on our lift, if you will, both sealift, airlift. But, clearly, we brought our overall procurement down tremendously in recognition of the end of the cold war.

So where we are now is at a period of time where we have to modernize TACAIR for all the services. If we don't make this investment now, if we don't start to—if we don't follow through on the programs that we have started, we are going to be in a tremendously poor posture at the end of the first decade of the 21st century, because by that time the F-14 will have been around for nearly 40 years; the F-15, the same.

I first flew the F-15 in 1976. So it is an airplane that has been around a long time.

Now, we have upgraded it, clearly; but as we look out at the threats we see a world in which you are getting much more capable surface-to-air missile systems. One of the things that the end of the cold war has done for us is we have been able to get access and see some of these systems that the other side has built and we have discovered that they have systems that are like our Patriot system, very, very capable against aircraft; and so it drives us then to look at a revolutionary way of approaching this.

So we clearly believe that the F-22 is a revolution in the way you approach air warfare; and coming out of the F-22 is the technology for the propulsion, for the avionics, for the maneuverable stealth that will give us all the joint strike fighter at an affordable cost. So what we have to struggle with is how much near-term TACAIR do we need to bridge that point until we can start fielding this next generation of TAC fighters. We see the TAC—see the JAST and the F-272 coming on, the F-272, probably in the year 2004 the first operational unit; the JAST start going to the operational units in 2008.

So out of that what you see is a requirement to sustain your force structure. Whether we like it or not, we crash so many airplanes every year. It is a function of the number of flying hours per year. Our safety rates have been driven down tremendously, but in our case we crash about 1.3 aircraft per 100,000 flying hours. So we can project for a given size force about how many of them we are going to lose over the next 10 to 15 years.

The aircraft that you need to buy to replace those losses are called attrition reserve airplanes. In some cases, they are not being made any more. Mike Boorda cannot buy any more F-14's, so he has to replace them with the F/A-18's, whatever. I still have the luxury of being able to buy a few F-16's, F-15's.

So what we are talking about in terms of the near term is TACAIR support.

Mr. GEREN. If I could do a quick follow-up. If you could talk about the numbers you need to meet that attrition rate over the next decade before we see the 22 and the joint strike fighter coming on.

General FOGLEMAN. In the F-15, we have computed we need about 18 airplanes. We got six last year. We have six in this budget. We could clearly use a few more. And if we got six next year we would be in pretty good shape.

In the F-16 area, we have computed that if we are going to sustain the F-16 force out through the introduction of the joint strike fighter we need about 120 airplanes.

Mr. GEREN. Mr. Chairman, if I can say something to Admiral Boorda in closing?

Fort Worth is the home of the NAS Fort Worth, and with Captain Cannon and Captain Beaver down there, they have done a remarkable job of bringing about the joint operations out there. I just—in front of the committee, I would like to commend them for their excellent work. It is not easy to get everybody to work together, and they have shown an incredible level of diplomacy and skill in keeping everybody pulling in the same direction, and I just wanted to commend them in your presence they have done an excellent job.

They will be moving on to other assignments, but our community has appreciated having them, and they have put together a remarkable experiment out there in what was Carswell Air Force Base. Now it is NAS Fort Worth. I wanted to commend them to you.

Admiral BOORDA. Thank you. I will be sure to let them know you said that.

The other piece is a joint reserve base, and it truly is a total force base, and I think it is working well.

Mr. GEREN. They have done an excellent job of getting everybody to work together and making the joint reserve base work. I don't think without their probably diplomacy more than anything else could they have pulled it off. But they have done a great job.

Thank you, Mr. Chairman. Thank you very much.

The CHAIRMAN. We are going to try to get one more in before we break for a vote.

Mr. Dellums.

Mr. DELLUMS. Thank you, Mr. Chairman. In order to accommodate one of my colleagues who has a pressing engagement a little later, I am going to yield to the gentleman from Texas, Mr. Edwards.

Mr. EDWARDS. Thank you, Mr. Dellums.

In respect to my colleagues and the time—General Reimer, I know you have to leave. I think before my time would have been up, I will put in writing to you comments and questions in regard to force structure. I would just like to simply say I think there is bipartisan concern on this committee in regard to cutting the Army below 495,000 soldiers, and my questions would be related to that, and I will put those in writing.

Mr. EDWARDS. The comment, Mr. Chairman, that I would like to make, if I could—I think this has been a productive hearing today; but I would like to address to my friend, Mr. Weldon, for whom I have the greatest respect, and with him I will be working on a bipartisan basis to try to plus-up areas of defense that we would like to see more spending in. I would also comment that in my 5 years here I have never heard the Secretary of Defense referred to as

hypocritical, and I think that tone is not one that lends itself to bipartisanship that we have traditionally had on this committee, and I hope we will continue that.

Mr. WELDON. Would the gentleman yield?

Mr. EDWARDS. As soon as I finish making my comment, be glad to.

Mr. WELDON. Thank you.

Mr. EDWARDS. What I would like to say to my friend, Mr. Weldon, is if we look—I think we are in a difficult problem, where on both sides of the aisle we are trying to deal with the effort of balancing the budget. You and I both would like to spend a lot more in defense, but we also have to balance the budget, and I would just point out to the gentleman that the budget resolution that you voted for the 7-year budget plan actually spends less on defense in the outyears of that 7-year budget than President Clinton has proposed.

I would not suggest anyone—I wouldn't even use the term hypocrisy in talking about those comparisons. So what I would say is I think we need to recognize we all favor a strong defense.

The gentleman and I have worked together on a lot of programs, and we will continue to do so. There are some program cuts here that concern me, and I hope we can plus them up. But I think the tone of our deliberations needs to be in a bipartisan basis.

Second, if we are going to get into partisan attacks on this administration in this year's budget, I think, in fairness, we should point out that the Republican budget 7 years out actually cuts more than President Clinton would want to cut from defense. But rather than get getting into that extended debate I would just say I would like for this committee to work on a bipartisan basis. Let us try to find money wherever we can to support concerns that the gentleman is very passionate about, and I share his concerns—

Mr. WELDON. Would the gentleman yield?

Mr. EDWARDS [continuing]. In those areas.

If there is time left, I would be glad to. It is Mr. Dellums' time.

Mr. WELDON. Would the gentleman yield?

Mr. DELLUMS. I yield to the gentleman.

Mr. WELDON. I used the word "line" because that is exactly what I meant. When someone criticizes us for adding \$7 billion in the acquisition accounts last year and then comes in last week and shows us a chart which Mr. Hunter asked to put back up again at my request and then takes credit for that same \$7 billion outlay in terms of acquisition funds, that is hypocritical to me.

In terms of the President's budget, everyone knows that the out-year cuts are in the sixth and seventh year. That is great. Because if Clinton wins he will not be in office, so he will leave it for someone else to deal with.

It is gobbledygook, hogwash. Nobody buys that logic.

Let me say in closing, Mr. Chairman, I ask unanimous consent to enter into the JCS review of capitalization. We have seen the muzzle on the military being able to tell their story; and, Mr. Chairman, I want to ask you—it is my—

Mr. EDWARDS. I want to reclaim my time and simply say that I think adding the terms the gentleman added to the ones he already

used do not contribute to the productive work of this committee, and I hope we can find a better way to work together.

I could talk about the hypocrisy of criticizing this administration for this year's defense budget when you voted for a budget that cuts more than the President would cut in several years from now. We could carry on that fight later.

I would just say I would like us rather to work together on a bipartisan basis, even though it is a Presidential election year. I think if we do that and make our comments without using those kinds of adjectives, I think we can do a lot better. Thank you.

Mr. DELLUMS. Yield back to the Chair.

The CHAIRMAN. We are all brothers in the same lodge.

Mr. WELDON. Mr. Chairman—may I make one additional request, please, Mr. Chairman?

The CHAIRMAN. The gentleman is recognized.

Mr. WELDON. I would ask that the chairman consider a discussion Mr. Hunter and I had about asking for the Joint Chiefs' recommendations to the Secretary of Defense for funding for this fiscal year and, if necessary, request a subpoena be issued to get those documents for this committee to analyze.

I thank the Chairman.

The CHAIRMAN. We are going to break for a vote and come right back, if the gentlemen can wait for us.

[Recess.]

The CHAIRMAN. Mr. Bartlett.

Mr. BARTLETT. Thank you very much, Mr. Chairman.

Gentlemen, I have been very much impressed with your forthrightness, your professionalism, and your competence. Thank you for being here, and I personally sleep better at night knowing that you are where you are.

Let me first, without taking more time to reiterate, associate myself with the remarks of Congressman Weldon. I think he is right on target, and I want to associate myself with his remarks.

I know that I and all of the committee share your concerns that we have adequate funding for readiness, for modernization, and for quality-of-life issues. I personally have some concern that the projected end strengths are adequate to accomplish the missions that we say we need, may need to accomplish, like two MRC's nearly simultaneously and so forth. I just doubt that that end strength is adequate to do that.

But I have a concern in two areas—one involves submarines, the other intercontinental ballistic missiles. I understand that, last year, the Russians launched six submarines that—their best submarines; and they are pushing the envelope even further in those that are on the drawing boards, run at least as fast and deep, as quiet, as any of ours and maybe more so.

I know from—I know that you know from some classified documents that Russian subs are now coming closer to our coast than they ever came, they are staying longer, and if they drop deep and run slowly we lose them for days at a time. We cannot track them.

I know, Admiral Boorda, in your statement you referenced the attack subs and the need there. I am concerned that the submarine part of our Navy is inadequately funded, that this remains a very critical threat that I don't think most of our citizens are aware of.

The other area is BMD. When our citizens learned in focus groups and so forth that we cannot protect them against even a single intercontinental ballistic missile they had three responses.

The first response is they are disbelieving. That cannot be true. We couldn't have had this technology this long and not be able to defend ourselves against even a single intercontinental ballistic missile like a Múammar Qadhafi could easily acquire—and it wouldn't take him a decade to do it, either. Their next response is that they would be appalled that we would do this to them, and then they are angry.

I am concerned that our budget contains inadequate funding in these two areas that represent increased threats that I don't think we anticipated as little as 2 or 3 or 4 years ago. I think that the reality of the potential of these threats has not yet become apparent to the big majority of our citizens, and I would just like your comments relative to my concern in these two areas.

Admiral BOORDA. Well, I will do submarines and let someone else do missile defense. That is probably fair.

With respect to submarine warfare—or really antisubmarine warfare, the way you are talking about, but I think you mean both—it is very hard to discuss that in a complete way anyway, but in a broad-brush way, in a nonclassified hearing. I am not saying that as a copout, but so many of the capabilities now are of a nature that we would want to keep them in a classified hearing, and I know your technical competence is as good or better than mine on these subjects. So it is probably something we need to do in a classified way.

I think we need to think about and I would agree with you that we can use more funding. That was that was my No. 1 priority for this year, without doubt my No. 1 priority.

I think we need to, when we have those more detailed discussions, think about what it is we want the submarine piece of anti-submarine warfare—and it is just a piece, it is a very important one, perhaps the most important but only one of them—what it is we want it to do and be sure we design it to do that.

For example—and it is hard to keep this on an unclassified basis—how deep the submarine goes may be important but how deep the weapon sensors can sense and the weapon can go determines how much volume that submarine controls in the world. It is not where it is; it is where the things it deals with are.

So sometimes you want to make trades in technology and in space and wait to get the advantage in a way that seems at initial discussion to be counterintuitive. It is the kind of discussion that Mr. Hunter and I and others have been having because, as you well know, the answer is not always the intuitive answer.

What you say about the Soviets, the ex-Soviets, the Russians, improving their submarine force is true; but we need a more detailed and more classified discussion of the matter.

Mr. BARTLETT. Thank you. We will look forward to that.

Admiral BOORDA. Yes, sir.

General REIMER. I will comment on the ballistic missile defense, and I am sure Ron will also want to comment something on that.

I think what I would say in terms of the 1997 Army budget is that it is a budget that is as balanced as we can make it. It is not

without risk. There is some risk associated with what we have submitted here, and it is just a matter of not having the resources to cover everything.

As we work the ballistic missile defense issue, we have tried to look at it from the standpoint of the threat. We have tried to emphasize the threat that we saw as the most likely threat, the most advanced threat, and that was basically theater missile defense.

I agree with you there is a threat in intercontinental ballistic missiles. I think the Army has a great deal of experience in terms of the air deference or the missile defense. I think we have about 40 years of experience at Huntsville. They have developed a program we are working with BMDO to basically comply with the deployment readiness program in which they have developed—basically to develop that capability and then field it within 3 more years.

I think that is where we are. It is a matter of resources and balance, as far as I am concerned.

Mr. BARTLETT. Thank you.

General FOGLEMAN. Well, I find myself in an interesting position. Because if I stand back realistically and objectively and look at the issue of missile defense, national missile defense, theater missile defense, et cetera, I cannot argue with the priorities that we have established. Because, clearly, the highest threat that we see is in the theater arena.

On the other hand, it certainly appears to me it is not a question of if we will have a national missile defense but when. When we have it, it is generally, hopefully, going to be driven by the threat and the ability then to respond to that threat as we see that threat emerging.

The hardest question I guess to address is when do we think this credible threat will exist from the rogue nation or from uncontrolled elements of some national missile force, et cetera. Clearly, that has got to be addressed; and there is—a consensus has to be reached on that on that issue.

When you start to look on the larger sense—and I would not make myself an expert on national missile defense, but it clearly looks like if you want to have a comprehensive system ultimately it ought to be space-based. But, clearly, from the technology standpoint and political standpoint and from a lot of other standpoints, that may not be possible.

So if you were to go look at what looks possible and affordable and may be effective against what would be the near-term threat it would probably be a land-based system against this limited rogue threat. That would probably then, de facto, be an interim system; and so, if it were going to be an interim system, you would probably want to expend as few resources as you possibly could to come up with an effective defense against the specific threat that you are trying to address.

I think part of the American public's frustration with missile defense is that we cannot afford to stay in the hobby shop business. They want us to produce something. So we need to be looking for how we can get the best buy for the Nation once that threat is identified and the decision made to field it.

That is generally where we come from. We don't argue with the overall priority. We were part of the prioritization process. We said tier first, national second. The issue is, what are the resources? What is the timing required?

Mr. BARTLETT. Thank you, Mr. Chairman.

Might I suggest, Mr. Chairman, we schedule a classified hearing so we can explore this in more detail?

The CHAIRMAN. We are going to have one, yes.

Mr. BARTLETT. Thank you very much.

The CHAIRMAN. Ms. Harman.

Ms. HARMAN. Thank you, Mr. Chairman.

I have been sitting reflecting on the exchange just before the vote between Mr. Edwards and Mr. Weldon, and I must say I am saddened by it. This committee has a great bipartisan tradition. It has always been, certainly prior to my membership in the Congress, one of the star committees here. I think it would be a tragedy if it degenerated into partisan bickering, first.

Second of all, I hope that this year will not find us again, as we did last year, playing catchup with the appropriators, and I think that could be a byproduct of partisan bickering.

So I would urge you to assert leadership and to carry on this wonderful tradition that we have and to make sure that we are collaborating in the interest of a strong defense, which I think every single member of this committee—certainly this member—supports.

Turning to the witnesses, I am a defense hawk, as you know; and I represent the district where more defense space programs occur than any others; so I am very interested in everything General Fogleman has to say.

But also my district is home to the F-18 production; and, Admiral Boorda, I just wanted to mention to you, as you talked about ramping up and transitions and so forth, that the F-18 E/F production is now starting. That is wonderful, but I understand that there may be some lag in the assembly line between the C/D and the E/F production. I would urge you to do everything you can to be sure that doesn't happen, because that will impair our effectiveness and costs in getting that program done.

So I just wanted to note that for you.

I have one question for each of the others.

General Reimer, you mentioned when you were asked by Chairman Spence about your wish list, that situational awareness was a critical thing you would want to provide more funds for.

I am certainly aware that in the gulf war some of our casualties were suffered from friendly fire. I am aware that you are looking for technology that will inform you who is friendly and who is not and that you are very taken with the Battlefield Combat ID System [BCIS].

My question is, is this system or more of these on your wish list? I understand they are not very expensive per tank, but in order to put them on the battlefield you have to have one in every single tank.

General REIMER. As you suggest, the ability to identify friend and foe on the battlefield is absolutely critical. We fought the gulf war in a very aggressive manner, and we had some fratricide we

shouldn't have had. I don't think we will ever be able to eliminate that, but we have to have the goal of eliminating all of it. We are in the process of doing that.

I was at Fort Polk at the training center just a couple months ago. I was there for a Tactical Operations Center [TOC], where we had an Italian commander putting out patrols, platoon patrols. Because of the situational awareness he had available to him, he was able to know that one of those patrols was 500 meters from where he wanted it, so he simply picked up the radio and said move 500 meters.

That was an operational decision and an operational benefit that he gained from situational awareness, but the ability that a tank has to know where your wing men are and the ability to know where everybody in that friendly force really is will just change the way we fight ground combat.

So, yes, it is something we would like to accelerate and get out as soon as we possibly can.

Ms. HARMAN. I would note for you that Mr. Weldon and I had a briefing by TRW, one of the manufacturers, of the capability of the system; and it shows up in the view scope of the tank. There is a dot that indicates it is friendly, the tank you are looking at.

So I would urge you and urge us to move on with this so we never again have any of the tragedies that occurred in the gulf war.

Moving along here, to General Krulak, I understand that you are interested in nonlethal weapons development. This is something that I am intensely interested in, because I think it not only can help you folks in a war situation but I also think it can help—the spillover can help law enforcement which has, as you know, always an interest in using weapons of this kind, and there are now these centers for law and technology around the country.

I am just wondering if you could talk for a second about some of the combat implications of nonlethal warfare and how you will participate in the DOD nonlethal warfare effort.

General KRULAK. Yes, ma'am, we are very interested. We are calling it less than lethal but nonlethal, less than lethal. One of the struts of the umbrella we call Sea Dragon, which is a series of experiments, is tied directly to less than lethal. We are—those experiments are ongoing now at both Quantico and out with Lt. Gen. Tony Zinzi.

We see a less than lethal as another tool in the tool kit that any combatant commander will want to take into conflict in the 21st century. Again, you go back to the type of warfare that we may be experiencing in this chaotic century that is coming. I think you are going to need to have something in your arsenal that is not totally lethal all the time, because you are going to run into instances where you are just not going to want to use a bullet when you can—and you can see what I am talking about.

But some of the instances in Somalia, what we are seeing now in Bosnia, particularly in urban terrain where you are close in and you have civilians mixed with the combatants, it is just something you have to have. By not having that option or that capability, in fact, you put your people in more danger than if you didn't have it.

Ms. HARMAN. I totally agree.

Mr. Chairman, I see my time is up; but can I say one thing to Admiral—General Fogleman before I relinquish the microphone?

The CHAIRMAN. Yes, ma'am.

Ms. HARMAN. I want to tell you I am so proud to have the L.A. Air Force Base in my district; and I am proud of what you do, especially for our space program.

I want to make one comment to you. You were talking, in answer to the Chairman's question about your wish list, about the dangers of extending old systems. I agree with that. I think one of the old systems you have got is the B-52, which is already 40 years old. By the time it is retired, it will be 70; and I am always quipping that it would qualify for social security.

I am one of the majority of this committee that thinks we ought to have more B-2's in our future. I don't want to push that with you now, sir. I don't think that would be a productive line of questioning. But I do think that the B-2 is a much preferable bomber to retaining the aged B-52 in our fleet, and I just wanted to say how strongly I support the President's initiative to have the roles and missions initiative expanded and add some membership and look at this question again. I am very hopeful we can work out a better resolution of this.

Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

The gentleman from Georgia, Mr. Chambliss.

Mr. CHAMBLISS. Thank you, Mr. Chairman.

I want to pick up a minute on something my good friend Mr. Skelton said back here. Some of you heard me say this quite often before, but I don't think we can tell you enough, and that is the issue of the quality of our folks that we have serving under you all.

As General Fogleman and General Krulak know, I spend a good deal of time at Robins and Moody and USMC Albany and try to make an effort to talk to our enlisted personnel. I recently completed a tour of all the Georgia bases and spent a good deal of time at Kings Bay, including an extremely educational trip on that submarine, and had some good educational visits at Benning and Stewart and Gordon; and to you four folks I just want to commend you on your continued good job of recruiting the very finest that we have to offer in this country. We need to continue to tell you that because it is so important.

Admiral, I will have to tell you I was totally amazed at the training that those 18- and 19-year-olds have gotten and the way they can operate that sophisticated equipment. I didn't know until I got there, but one of those men is from my hometown, and his fifth grade teacher was my mother. So I knew he had a good foundation, but you all have done a good job of continuing his progress there.

Admiral BOORDA. Could we have a list of other kids she taught, please?

Mr. CHAMBLISS. Absolutely.

In spite of what I think—I think you are doing the right things, particularly in light of the budget restraints within which you have had to work over the last several years; and the folks under you

are doing the right things. I continue to be concerned about this issue of procurement and modernization.

General Krulak, I particularly want to address a question to you with respect to the KC-130, because I understand the Marine Corps has a valid requirement to replace the aging active duty KC-130 tanker tactical transport fleet. Given the possibility that Congress will provide for more procurement dollars to the Marine Corps, have you looked at the new C-130J in the context of a modernization plan and how high of a priority would you attach to that plan?

General KRULAK. Yes, sir; it is an extremely good aircraft. It is far more capable than the 34-year-old aircraft that makes up 50 percent of our force right now. The other 50 percent is about 19 years old.

This is an area where the reservists have the newest aircraft in the Marine Corps arsenal, which is not bad. That is good. But we are really long in the tooth, so to speak, with our C-130 fleet.

The J has capabilities that current aircraft do not have. It obviously goes faster, has a better refueling capability. The cockpit is arranged for night vision devices, and the uses thereof of a very good aircraft. We obviously did not have the money in the current program to buy that. If the money were available, we would certainly buy it.

Mr. CHAMBLISS. So if we can find some money you could use some more of those?

General KRULAK. Yes, sir.

Mr. CHAMBLISS. OK. That is all I have, Mr. Chairman.

The CHAIRMAN. Thank you, sir.

Mr. Taylor, from Mississippi.

Mr. TAYLOR. Thank you, Mr. Chairman.

I appreciate all four of you staying around as long as you have and particularly Admiral Boorda.

It is a shame Mr. Geren isn't here, but after your testimony in behalf of the DDG class and the LPD and LHD, he said "this advertisement was paid for by the shipbuilders of south Mississippi". But we are grateful for your kind words for those things that are built in south Mississippi, and I certainly hope you keep their good work in mind when you decide which company will—which people will build the LPD-17.

I want to brag on you a little bit. The other local shipbuilders have given me rave reviews on your acquisition reform changes that you have made, particularly Trinity Marine and the barracks barges. They say it is like doing business with the private sector, which is one of the greatest compliments any branch of the military can receive.

I would want to pose this question to the group—and I mean it as no offense to my colleague from Pennsylvania. I think he is very, very sincere in his concerns about our national missile defense.

But I want to point out some numbers that I was given. That is, roughly from 1982 to the present, this Nation has spent or will spend at the end of this year about \$44 billion on national missile defense. Admiral Krulak makes a compelling case even for things like boots and Gore-tex uniforms. I have heard all of you make very compelling cases for the need to modernize your equipment before

you start falling out of the sky or our 141's start having wings fall off.

Given that \$44 billion and the—I will put it in shipbuilding terms which I feel like I know best—that would represent 55 DDG's that could have been in the fleet. That would represent better than 35 LHD's that could have been added to the fleet. I am sure General Krulak in short order could have told me how many of his aging aircraft he could have replaced for that money.

Given the fact we only have a dollar and we have to make a decision to spend that dollar here or there, given all these things and the needs you have presented to this committee, when it comes to missile defense are we spending too much, are we spending too little or are we doing it about right, given the technology that exists today and the capabilities that we can actually go out and buy or try to buy? It is a very sincere question. I mean it. Because I know my friend has some concerns, but how do you see all of that and how do you see this year's defense needs with regard to that? I want to open it up.

Mr. REIMER. I simply would say that that is the issue all of us collectively are wrestling with, the balance of the programs across the years. There is never enough money to do everything we want to do. There is always the risk associated with every budget that we recommend. I am sure there is a risk associated with the budget that you will finally approve. It is a difficult situation, and I think we just have to keep addressing that from the standpoint of where you get the greatest return on your investment.

Given the dollars that we had available, I think the budget that we in the Army submitted, we worked the balance as best we could. I am satisfied with that balance. That is all I can say. If more money is coming, we would have to rework the issue in terms of what the priorities are.

Mr. TAYLOR. General—excuse me, Admiral Boorda.

Admiral BOORDA. That is all right. I just finished 40 years in the Navy. I have two to go, but I would like to start over again.

It is a balance issue, as has been said; and you could, in this program, could spend more money. There is no question about that.

But it is not just balanced between all the other programs, which is real hard for us to do, because I can find a lot of things I need to spend more money on. It is also balanced, once they have set a number within the program itself, how much for national and how much for theater.

Then when you get into theater missile defense within the Navy, for example, there are two systems; and you have to decide which one or ones of them you are going to push. So it is not just one decision of balance. It is a whole lot of decisions of balance that result in a program that changes every year.

We need a couple of things in this program that we are trying to get. One is, whatever the funding level is going to be, we need to get some stability in it so that we don't keep stretching things out; and, as Ron said, we need to build something instead of just doing plans.

Second, if we are going to be limited in money, like we obviously are, then we have to do some priorities about where we do it. Because for us, obviously, being able—when we rely on sealift and

airlift to get troops to where they need to be—and that is the strategy today—then we better be able to protect seaports and airfields, because somebody will shoot; and they will only get more accurate and more longer ranged and lethal over time.

So that causes some priority changes this year. You have a limited amount of money, and you have to make decisions about which way it goes and then what the biggest problems are—not what are all the problems but which ones will you try to solve. That is kind of how we ended up.

Could we spend more money? Of course we could.

The CHAIRMAN. The Chair would like to announce we are going to try to get through by 1300 because people have other commitments. So if we can consider that in answering questions and in asking questions, I would appreciate it.

General FOGLEMAN. Again, Mr. Congressman, my colleagues have identified the issue of where missile defense fits within the overall balance of the missile defense program and the balance between national and theater within national itself. Clearly, we are part of that discussion in terms of how the funding would be allocated to balance within that line.

I would come back and tell you I share the frustration on having spent \$44 billion and not having something to show for it. So what I would again come back to is the point, from my perspective, if the decision is made to go do this, we would not be wise, in my view, to start replicating command and control facilities, operational capabilities, et cetera. We ought to leverage off what we have and leverage off the money we spent that would allow us to put something into place along the time lines we all agreed to, so-called 3-plus-3 program that has been briefed by Paul Kaminiski, et cetera.

Mr. TAYLOR. Yes.

General KRULAK. Very briefly, sir, I would probably, one, say we need to take a look at the risk that is involved on which direction we go. Here specifically in the national missile defense I go back to my basic premise that the poor man's nuclear is some kind of chemical or biological system and that the risk of that is probably greater than the risk of a rogue state firing something at us. Again, I believe it is something we need to debate nationally, because I think it is that important.

Mr. TAYLOR. Mr. Chairman, could I make a very brief statement?

The CHAIRMAN. Please, we are trying to get through.

Mr. TAYLOR. I hope you will get a book that addresses these matters, Andrew Jackson Higgins, the man that built the boats that won World War II. He speaks very, very favorably of your father. You are the second generation to push for reform within the Krulak family.

General KRULAK. Thank you very much.

The CHAIRMAN. Mr. Cunningham.

Mr. CUNNINGHAM. Thank you. I have met General Krulak's dad. He is not a man to mess with.

I would say to both generals that I wore an Army Air Corps tie especially for this occasion.

I think sometimes this is probably the most bipartisan committee that I have ever served on as far as helping the services. I think sometimes when we say something the way we say it or the attack

mode we are in appears partisan or something, so I am going to try to make my point, but I am going to try to sound nonpartisan in doing it.

I would like the Chiefs to think about—I think this is something you will have to reflect on, and I feel it is important that when you look at an administration's history and lack of support for the military it is an issue when it carries over to current actions and future projections that affect this committee's ability to operate in a bipartisan way to help you with the things you just testified to.

Let me be specific. First, I would say the only real heartburn that I have is with Secretary Perry in chastising us for adding the list that you told us that you really needed and you are going to give us new lists. I am going to tell you I am going to do everything I can—and I am sure this whole committee will do everything they can—to help you with that, both Republicans and Democrats, and I thought it was an unfair shot by the Secretary.

I personally think the Bottom-Up Review was done backwards. It was to justify cuts, not with what we needed with the \$177 billion cut in 1993.

I also predict that if the current administration is elected that you will see a redo of a Bottom-Up Review and that you will be asked to cut end strength even more.

That is personal. I feel that.

I think you will be asked to justify one MRC. I see that coming. I know that is why there are some people in the Pentagon looking at just that fact.

Let me tell you why I think that you are kind of set up for that. In the President's balanced budget, 7 year, scored by CBO, 90 percent of the discretionary cuts come in years 6 and 7. This is the same period in which the President plans to increase procurement to \$60 billion from \$39 billion in 1991. That is just not believable. We can't do that at the same time.

First, if we take a look at what the President's defense budget relies on to pay for it, he relies and says that inflation will not go any higher than 2.5 over the next 7 years. That is not going to happen.

Second, that the BRAC savings will pay for it. We know good and well that the environmental costs, the clean-up costs and all of those cases, you have to eat the overhead. There is great cost there. There will not be a lot of savings out of there. There will be some.

Acquisition reform, as you reduce the number of units that you produce, whether it is tent pegs or JASTS or F-22's that industry has testified is straight line budgeting so they don't have to lay off people and retool, but that will cost more money.

So I doubt and I think the administration's budget is setting everything that you are talking about—not what you have but what you need—in jeopardy. I think it is in jeopardy for this committee to try and have to deal with those issues.

I took a look at some other things in which the cost—when we were asked to pay for Haiti and Bosnia and Somalia, all of those costs. We get a limited budget; and those excursions come out of defense, from the limited budget that you already have. I personally feel that Bosnia will cost us more than \$2 billion, and we are

already seeing about how you are having to already take money out of your accounts to pay for Bosnia.

In the future—I know the U.N. and NATO are broke. Who will pay for that? The President said the primary nation-building source will be Europe, but that also leaves us in the United States to pick up that tab as well.

I look at the operations costs. Admiral Boorda, you talked about going from one place to another or operating out of Aviano or deploying TAD forces. All that costs operational dollars out of your budget and TEMPO as well. For you to modernize and continue to do those things will put national security in jeopardy.

I think one thing that is overlooked is retention. I talked to not just one service but a lot of your kids and your aviators. Michael Pitt, and I served in Top Gun. I know he is embarrassed now. He is still in the service and doing his education job now. I see the young man back there in the Air Force, but a lot of these kids are bailing out of the service because of the pressures and the family separation we are putting on them. That means quality people.

We have tried to help you with retention, but you are losing a lot of that experience, and it is a concern. I would ask members on both sides to look at some of these things that will affect this committee I think realistically, not as a partisan measure but something that is significant to national security.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. BATEMAN. Thank you, Mr. Chairman.

First, let me join my colleagues in commending each of you for the quality of the leadership that you bring to the forces that you lead and to share with you our pride in the quality of those forces.

The next thing that I want to do is to observe not in a partisan sense but with a large measure of sadness that this defense budget reflects a level of cynicism that I find very, very disheartening. You have told us in your testimony today that your O&M accounts are funded in this budget at minimum levels.

You have told us that in the context of General Krulak's very, very telling observation that we live in an era that is replete not with instability but on circumstances bordering on chaos, and those circumstances seem to be magnifying as we move further from the downfall, the breakup of the Soviet Union into this new world disorder. That would seem to me to be something that would challenge us to do more rather than doing minimums.

If you are doing minimum O&M funding in this budget but you are being pressed, short term at least, to pay for unfunded contingencies such as Bosnia—and heaven knows what others will arise in the course of this fiscal year—you are going to be putting yourself under an enormous amount of stress and distress. I have already heard rumbles in some of the facilities in my district where they have a workload that badly needs to be done but no assurances of the money to retain the personnel to do it, even to the extent of having to go through substantial furloughs. This is a poor way for you to be required to operate.

I want to inquire and will be inquiring on how the Department of Defense is managing short term and longer term the costs of the Bosnian contingency and other contingency operations.

Which then brings me to the incredible mismatch between the requirements that you feel are militarily important to us in procurement in order to have modernization and recapitalization of our forces. We are inviting, without those procurement dollars, a degradation in our readiness that is going to be very damaging to our national security and which is going to break the back of the forces, the splendid forces that you now lead.

The operational tempo, personnel tempo cannot be sustained indefinitely at unacceptable levels. You can only do that over a shorter period of time.

Two other items that need to be reflected on and haven't really been mentioned today, not in the context that is needed—the utilization of Reserve forces to help resolve your operational tempo, your personnel tempo problems in the active service. I commend you for the fact that you are using that resource.

But I also have to say you must be very sensitive to the fact that these people are reservists. They are there in case the Nation goes into a state of war and they are called into the service of their country for a more extended engagement. They are not going to stay in those Reserves if they have to leave their employment and their families, two, three, four times a year, because that ain't the reason that they became members of the Reserves. So you are going to have to watch that side of that equation.

Something else that hasn't been mentioned today and was the focus of the hearing yesterday and some very alarming aspects of it was the area of nuclear, biological, and chemical weapons in the teeth of all the evidence of proliferation of capability and a GAO report that is in draft—but I don't know that it is officially disseminated—that reflects the failure of the Department of Defense to have fully met the challenge that proliferation entails, even to the extent of evidence that we lack the vaccine that we ought to be injecting into our forces before they are deployed, that we lack the protective clothing that is the latest that has been developed in the quantity in which it is needed, that even in gas masks we are lagging in procurement of the latest and the best available to us.

Even—as one of my colleagues mentioned to me a week or two ago who served in the Persian Gulf, that we don't even have sound research on or the consequences of multiple injection of vaccines and in what combinations you can do that without it perhaps being materially debilitating to the health of the troops.

To the extent we don't have research in that going on, it ought to be something that is put on a very, very fast track with the best we can do. Because it is unthinkable that we would be lacking in the quantity of vaccines and that we won't even know what vaccines can be given in what combinations without their having adverse effects.

Thanks for your attention, and we look forward to working with you as best we can.

The last injunction, so many have said today that we will be increasing this defense budget. I pray that we will. But I can also tell you I am extremely doubtful we will be able to raise it as much as it needs to be raised.

There are other forces, other committees, other elements in the Congress, and certainly with an administration that permits you to

make only minimum requests for O&M and deficient requests in procurement, there are limitations upon as much as we would be able to get done.

Thank you again.

The CHAIRMAN. Thank you.

Gentlemen, I am still trying to get through, and we have passed the time. We have about three more people who are anxious to say something or ask something or make a statement. So if you could bear with us a few more minutes.

I know, General Reimer, you have another commitment you have to make. So feel free, when you have to go, just go ahead.

If the rest of you could delay lunch for a few minutes, I would appreciate it.

Mr. Buyer, who promised to be concise in his statements.

Mr. BUYER. Yes, sir. And, general, feel free to go—after my questions.

A lot of us here on the committee we get to work with, often, the senior level staff, and we don't get to see a lot of the senior NCO's and—unfortunately. Nor do we get to interact with the field commanders. That can be unfortunate. We should get out to do that.

I want to make a note that a couple of individuals that I have dealt with personally here in the last several years are, in fact, retiring. General Lanoue, and his deputy, Tom Temple, have served you very well and served the Army very well; and I wish them well.

Yesterday we had our meeting with your personnel chiefs; and, General Krulak, if you can find a warrior with a big heart that is as good as General Christmas, go look for him. I mean, he is an exceptional individual; and we have enjoyed working with him.

General KRULAK. Thank you, sir.

Mr. BUYER. The questions that I have—let me move to the scenario of the Pacific rim, with Taiwan—if it has been covered, I apologize—but to help me with regard to the operations.

I know, Admiral Boorda, you mentioned about the ships that are at sail. Tell me about what we are doing with our allies in the Pacific rim. Are we just sending our two aircraft carriers over there? Not only with you, but the Air Force—South Korea, with Japan. What are others doing? From Australia? I mean, we are the superpower; but there are regional powers that we must seek responsibility from for stability with regard to that region. So, please—

Admiral BOORDA. Let me tell you what is happening at sea, and we will go from there. Because our forces are mobile and ready, they are available for national command authority—and by that I mean the Secretary of Defense and the President—to make an early decision even as they are talking to others. I think that is important. I think that is what you have seen here.

Let me shift gears on you and talk about the gulf war for a moment. That was exactly what happened there. We responded, and they did consultations and came up with answers. Right now, we are in the “we are responding mode”.

Mr. BUYER. So is the United States moving out by ourselves at the moment?

Admiral BOORDA. We are able to do that quickly, so that is what we are doing.

Mr. BUYER. I compliment the President on the action he has taken. I do battle with the President as Commander in Chief and his domestic agenda a lot, but let me compliment the President. I think his actions were correct.

But for me to assume that we are communicating with other regional powers for stability, as of right now you are not aware that we are?

Admiral BOORDA. No, you have the wrong witnesses for that.

Mr. BUYER. I have the wrong witnesses for that. No, I don't have the wrong witnesses. I won't ask you matters of policy. I am asking whether or not you are acting with any other navy from any other country, yes or no?

Admiral BOORDA. We personally, the Joint Chiefs, no.

Mr. BUYER. Army?

General FOGLEMAN. We are not. The Joint Chiefs are not. You are asking us at this level if we are——

Mr. BUYER. Are our armies, navies——

Admiral BOORDA. Yes.

Mr. BUYER [continuing]. Interacting with other countries with regard to Taiwan?

General KRULAK. The Commander in Chief and the Pacific Command are involved in that.

General FOGLEMAN [continuing]. With components we provide to him.

Mr. BUYER. I didn't mean to ask that in a cavalier way. Maybe I am not asking it right. What other countries will provide a security blanket for Taiwan or is the United States the only one doing this?

Admiral BOORDA. Right now we can't answer that question, not because that isn't going on but that is exactly why we have, under Goldwater-Nickles, the unified command. Joe Purra is doing that work now and will come and report to us in the next day or so. He will be here.

Mr. BUYER. So I am premature in the question.

Admiral BOORDA. Yes, sir.

General KRULAK. He is due back tomorrow or the next day.

Mr. BUYER. I have an interest in that.

The other real quick question—Mr. Chairman, I will be—is the committee has a very good interest—and I know in our Acquisitions Subcommittee—on chemical de-mil. I just want to focus you and your staff that if we are going to play this out, \$100 billion is out of the question. So it definitely needs a rethink and relook and more investment in alternative technologies is the sense from not only myself but from members of the committee. I am just firing a flare out there for you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Joe Scarborough from Pensacola, FL.

Mr. SCARBOROUGH. Thank you, Mr. Chairman.

I would like to thank the generals and the admiral-who-wants-to-be-a-general for being very patient this afternoon for sitting through this and being caught in the crossfire of sorts. I certainly understand you are in a difficult situation; but, unfortunately, our Founding Fathers gave us a messy system. That is why we have

a balance of powers, and I commend you all for sitting in the cross-fire for as long as you have. I think you are doing a great job.

Because I am timid and laid-back and don't speak my mind as much—I won't be as blunt as Curt Weldon in his assessment of the situation earlier on—certainly we have felt that frustration, at least on this panel, and understand the difficult situation you are in.

I would ask a few specific questions, first of General Fogleman, just regarding an update on the situation, the BRAC situation, and ask if you are aware—I know you have an awful lot on your mind at all times; but, obviously, as you know, BRAC was to downsize and to help us become more cost-effective and efficient with our dollars.

There was a move, obviously, of EC testing facilities from Eglin out west to Nellis despite the fact there was testimony before the BRAC Commission and, in fact, a statement from General Davis who sat on the BRAC Commission that actually there would be no cost savings to be derived from moving EC from Eglin to Nellis and, in fact, there would be an increase in costs because of the move.

I want to give a quick update on information we are getting that—in fact, that is playing out, that Nellis is working out the way General Davis predicted. A contractor who previously conducted tests last December has now been informed that missions at Nellis will require 2 hours duration on the F-15 deployment to complete work that had previously taken 1.5 hours. Also, that Nellis now imposes a surcharge on this particular contractor to cover the costs of having to bring up the range on Saturday.

Added to this, the contractor was informed the only way to get the missile flyover data within a week would be for Nellis to schedule overtime for data reduction.

We have also been told the Nellis range does not want to run simultaneous ground and air tests because it tires the operators, and the only way they could handle the schedule is to fly four times on Saturday as well as fly on the range's normal days off. All this resulted in approximately a 40- to 45-percent increase in costs for F-15II operating expenses.

Needless to say, these were problems that, obviously, the BRAC Commission did not take into consideration when they made their recommendation to move EC from Eglin.

I bring this up because it is my understanding the Air Force, under the guidance of General Powell, has completed a study on how to cut the costs of development and operational costs and that Generals Fasilio and Ralston were briefed.

What I would like to know is why this report has not been released to the R&D subcommittee and to ask when a briefing for the staff might be scheduled on this issue?

General FOGLEMAN. Clearly, you have greater information on this issue than I have.

Mr. SCARBOROUGH. OK.

General FOGLEMAN. The overall decision on movement of the electronic combat assets not only involved a cost issue but a synergism issue. We had fragmented assets at Eglin. We had a complex,

full-up integrated complex at Nellis. It became sort of the center of excellence for the country for this kind of thing.

If the information that you have—I will be glad to take—and go look into this—as to the report which we requested General Powell to conduct, that report has not reached my level yet; but I will tell you that we will not in any way try to slow it down. If the committee is interested in receiving that or members are interested in receiving briefings on that, we will make them available.

Mr. SCARBOROUGH. I am sure you would. I just wanted to bring this to your attention and note that when it comes across your desk if we could get a briefing on that it would be appreciated.

Let me ask General Boorda a question regarding the Penguin antiship missiles. I understand you all have procured 101 of those and that the fleet inventory objective is at least 193 and obviously—

Admiral BOORDA. Sorry, I didn't understand the first part of that.

Mr. SCARBOROUGH. I understand the Navy has procured—

Admiral BOORDA. I got it.

Our issue is cost, not requirements, on the Penguin. I understand that the company is trying to get the costs down. It is purely a cost issue. The missile has grown or is of such a cost that we can't afford to buy any more.

Mr. SCARBOROUGH. Is your goal still 193?

Admiral BOORDA. We would like to have had 193 of those missiles. You are absolutely right on your numbers. We simply can't afford any more at this price.

Mr. SCARBOROUGH. OK. I have no other questions.

Again, I would like to compliment all of you for being here today and all the good work you have done over the past year.

The CHAIRMAN. Thank you very much.

Moving right along, Mr. Cunningham has a question for the record for General Krulak.

Mr. CUNNINGHAM. Actually, I have several questions for the record. It deals with JAST and the importance of making sure that that is on time along with F-22 and the others. I would like to submit those to the Chiefs and also for you, General.

The CHAIRMAN. Mr. McHale is next.

Mr. MCHALE. Thank you, Mr. Chairman.

Good afternoon. I thank you not only for your patience but for your candor. You have been asked very difficult questions, and within the proper limits that we have in a democracy under our Constitution you have given unvarnished answers to some very tough questions. That is what this is all about. Thank you for that.

General Reimer, my first question is for you.

Recently, the transfer of most of the Army's, if not all the Army's, reserve combat capability to the National Guard was accomplished while cross-transferring to the Army Reserve the principal elements of the combat service support. When we enacted the policies that sustain the 2 MRC strategy, we included in that planning the essential element that there would be 15 enhanced readiness brigades in the National Guard that would be ready to fight and deployable within 90 days after the initiation of the second MRC.

When Secretary West was here, he said, of the 15 brigades, 12 are deployable. In straightforward language that tries to draw from you a candid assessment of the war fighting capability of those National Guard brigades, are we asking too much of our soldiers in the National Guard without having provided to them the peacetime training that makes them not only deployable but combat ready?

My concern is based on historic mistakes we have made where in the past we have counted on units to perform certain missions and have then sent extraordinary men with great leadership into combat suffering unnecessary casualties because in peacetime we had not given them the training that they needed.

So we are counting on those 15 enhanced readiness brigades. Are we training them to fight?

General REIMER. Let me start if I can, Mr. Congressman, on a very good question in terms of the Army.

I would start from the standpoint that the points that I have been making here concerning the stress that the Army is under, in terms of the operational pace and TEMPO that we are working under, is absolutely true for Reserve component also. We fund them for about 39 days, training days a year. They spend far more than that doing their job, and they do it well.

In terms of the 15 enhanced brigades—and the Secretary is absolutely correct also that the 12 are deployable, which means they are C-3 status or above. The other three are undergoing transition. Basically, that has to do with the modernization of the brigade, so we list them in a nondeployable C-5 status which doesn't reflect so much readiness as it does reflect modernization. Hopefully, when they come out of the chute, so to speak, they will be back to the C-3 status again, basically.

As far as are they ready to fight, in my terms I think we have done an awful lot since Operation Desert Shield. We learned a lot. The fact that we mobilized them taught us a lot of what it takes to train and get ready and make sure we don't send soldiers untrained into battle.

I am comfortable with the 90 days. That is what it will take. We have become more realistic in terms of training, in terms of enhanced brigades. We want to train them at the company and platoon level. We enhanced the enhanced brigades by putting in about 45 or so active component soldiers who now live and work with that enhanced brigade.

I think that is a great system. It is a little more like the Marine Corps which I admire very much in terms of the way they have done theirs. I think it gets us into that area and provides full-time support.

In addition, Congress has told us to put 5,000 people under title XI in to them to help train and assist Reserve components. We will complete that. There is a funding issue there, but that will be completed, and we will make it work.

I will say to you I am comfortable, given all of that, the enhanced brigades can be counted on, given a 90-day postmobilization training period.

Mr. MCHALE. We want to do all we can but not in an aggressive way. But I want to work with you in every way I can to provide that training to produce superb soldiers who, frankly, need to have

the best peacetime replication of combat in order to be ready when the time comes. That requires not just a speech from us but the resources you need to run them through the NTC and so on in order that they can be effective in combined arms.

General Krulak, my second and final question is for you. In January, I went to Camp Lejeune and put on a set of units, spent time with Lt. Col. Mike Regnor. Mike is the BLT commander that will deploy later this year. When they go out, Colonel Regnor will have AAV's that date to the early 1970's and CH-46 helicopters that date to the 1960's.

What I would ask you to do is take Colonel Regnor, project him or his successor out to the year 2010. Give us your thumbnail sketch of why it is important for the Marine Corps to have an over-the-horizon attack capability and describe for us, if you would, why the AAV is so much better than the AAV and the V-22 so much better than the CH-46. If you can put it in human terms, in terms of how those pieces of equipment will dramatically change the way in which the Marine Corps fights in the year 2010.

General KRULAK. Yes, sir.

The Marine Corps has gained a great reputation on the ability to storm ashore, fight their way up a beach and, in the case of, say, Iwo Jima, up a mountain. The problem with that is it is with great loss of life.

Maneuver warfare, which is the doctrine that we fight by, basically tasks us to go where the enemy isn't. By having the capabilities that you have articulated—we call it the triad—the triad of the V-22, the AAV, and the LCAT—you expose the littorals to the degree they are not capable of being exposed with systems that go at 7 knots across the water.

The AAV will go across the water in excess of 30 knots. Equally, if not more important, when it hits solid ground it will have the mobility of an M1A1 tank. It will have a nuclear, biological, and chemical over-pressure system. It will have composite armor that will stop any round up to but not including a main battle tank round. It is just a tremendously capable fight vehicle.

The V-22, a tremendous range, travels in excess of 250 miles per hour. It is a leap in technology. It is far safer, far more capable than anything we currently have in the U.S. arsenal right now.

It will, in fact, change warfare, in my opinion. It will give us the capability—from the standpoint of self-deployability, the numbers of C-17's that would be required to carry helicopters are now going to be freed up to do something else that is a lot more important to me and to Denny. So it has just got a great capability that is going to expand the battlefield and certainly make it safer.

For Mike Regnor in the year 2020 it will mean that his people will not have to go into the teeth of the enemy, that they will have the flexibility to go where he isn't, and when they get there they are going to win.

Mr. McHALE. General, thank you.

Mr. Chairman, thank you very much.

The CHAIRMAN. Thank you very much.

Mr. Talent.

Mr. TALENT. Thank you, Mr. Chairman, for this opportunity in this outstanding hearing. I have two brief questions, and I just want to make a brief statement before then.

I went on this committee in 1993, and it has been an excellent committee and wonderful experience for me. I think almost everybody on this committee feels the same way. It was pretty obvious even to a newcomer like myself in 1993 that the Bottom-Up Review end strength was not adequate to accomplish the national military strategy with an acceptable margin of risk. I sat in on a subcommittee hearing of Mr. Skelton that proved that beyond doubt with regard to the Army component.

In any event, we are not funding the Bottom-Up Review strategy which makes that observation a little irrelevant.

What Mr. Weldon calls hypocrisy I have seen over the years as a kind of institutional helplessness, an inability to escape that paradigm and to do anything about it. It is like being in a family where there is destructive behavior and the family as a whole is just not capable of confronting it.

I say that because what is unendurable to me sometimes is the sense that, at some point, all of this may really matter, that we may ask these people to do something that, even as good as they are and as hard as they try, they can't do. In the end that history will just let us all down.

I have two questions, one following Mr. Bateman's comments regarding the Reserves.

I spoke at an ROA dinner, and we have great Reserves in St. Louis. They are outstanding people. I just want to emphasize—and if I can't get your reaction to this, maybe General Reimer would be the one. Because most of the people were Army. My brother is in the Army and happens to be a Lieutenant Colonel in the Reserves.

Ike Skelton says that there was a sign in his kitchen growing up which he has remembered. It was: When mom ain't happy, ain't nobody happy.

I can tell you my sister doesn't like some of the demands being made. At that dinner they mentioned the group of surgeons backfilling in Germany and delivering babies. It is not war. If it was war, these people would do anything, but it is sort of a quasi.

I just hope you all are anticipating that you can't keep relying on these Reserves under the same conditions under which they entered the Reserves 10 years ago. They won't do it. I really think they are going to quit, not because they want to, because the pressure from back home and from their employers is too great. If you want to comment, I would appreciate it.

For Admiral Boorda, an interest of mine but of great national interest, too, the F-18 C's and D's. Can you, in the intermediate term, man a fully capable flight deck without more C and D purchases somewhere along the line? You will have 50 planes out there, but are they going to have the capability you need if you can't replace the C's and D's?

Admiral BOORDA. I will do mine quick because it will just take a couple of seconds.

If you look at the list that we have been asked to present and I will present for the record, you will find that I think it makes sense to go ahead and finish the buy of C's.

C's are what I need, and also that will let me retire some aircraft earlier than I really should retire. That blends well—is reasonably low cost when compared to something else, and it blends in well with the start-up of the E and F line that we are now experiencing.

I can do that in good conscience because last year we asked for 24 from the administration, and we funded 12. We did that to ourselves. You added six, and there are still six more to go. So I think we are doing something that makes decent sense.

General REIMER. I want to respond to inquiries. Before I do that, Mr. Chairman, may I ask your permission, after I respond, to leave? I hope my answer won't be that bad, but I would like to respond to that.

The CHAIRMAN. Of course, General.

General REIMER. That is a very valid issue. As I mentioned earlier, there is a great deal of stress on America's Army, active U.S. Army Reserve and Army National Guard; and we are working our people very hard. I understand that stress. I have talked to those people, and I know that it is sincere.

I have to say, however, though, that there is an equal number of people that are telling us to use the Reserve more, find better ways to use the Reserve. The facts are that in the U.S. Army we have constructed the Army to be America's Army. We cannot go to war without the Reserve component. We have to have USAR, we have to have the Army National Guard with us, and we have to have them to do the things that we are doing in Bosnia right now.

There are certain pieces of the force structure that can only be found in the Reserve component. So when we called up 3,500 Reserve component personnel to go to Bosnia to flesh out the force of 20,000, it reflected that some of those had to go in to in-country and some of them were there to backfill and provide an adequate quality of life to soldiers who were with families who were saying good-bye to their soldiers, and we couldn't leave them high and dry over there.

So that is kind of where we are, and we are trying to work the right balance. I am very concerned about the long-range impact of what this will do to the Reserve component. We will have to watch that carefully. But I cannot say to you or anybody else that we will not be using the Reserves more. I think we will have to.

Mr. TALENT. I think it makes great sense to use the Reserve. It is one of the ways you all have covered. But I am flagging for you from the grassroots what I am hearing, and I think it is something we will have to deal with in the longer term.

The CHAIRMAN. Thank you very much, and the clean-up hitter, Mr. Dellums.

Mr. DELLUMS. Thank you very much, Mr. Chairman. Let me briefly make a few observations since I have tried to listen very carefully to virtually all the testimony.

First, there have been, on several occasions, allusion to the Bottom-Up Review by a number of our colleagues. If many of you will recall, early on my observation was that I thought the Bottom-Up

Review was a first cautious step away from the end of the cold war than it was a bold step into the post-cold war world.

If you recall, in a colloquy between myself and Secretary of Defense Perry, in response he said, we are indeed looking at the world through a glass darkly as partial answer—in partial response to agreeing with this gentleman that the Bottom-Up Review document should be seen as a dynamic document and not a static document.

I would suggest to my colleagues that, rather than attempting to regard the Pentagon's continued reassessment, given their knowledge about the world, we should be encouraging that they continue to constantly update their view of the world as we experience it and gain greater knowledge and thereby continue to refine the Bottom-Up Review document. The day that that is perceived as the bottom-line bible is the day that we cease to think.

I think General Krulak said it in a very graphic and pointed way. Spend a great deal of time worrying about modernizing weapons, but modernize your mind. And in order to modernize your mind, one has to continue to view the world in a dynamic fashion.

Second observation that I would make is that our witnesses testified to, and as a number of my colleagues observed, that the operation and maintenance account in this fiscal year has been funded at the minimal level. However, what was testified to and either not observed or certainly not engaged was the observation that one or several of the witnesses made and that was that the threat to that minimal balance of operation and maintenance funds, the threat was unknown, and thereby unfunded future contingencies—nobody has picked up on that.

This gentleman has said to you on a number of occasions over the last few years, we cannot escape the reality of unknown, unfunded future contingencies. We will have to continue to grapple as diligently as we can and I believe on a good government basis, good planning basis, how we address the issue of unknown future contingencies.

Final observation, Mr. Chairman, and I will conclude.

With respect to the modernization account, because there is a great deal of attention focused on readiness, near-term and long-term modernization being an important aspect of long-term readiness, one or several of my colleagues, maybe you, Mr. Chairman, and you pointed out in your opening statement that you will increase the budget.

Then a question was raised to all of our distinguished witnesses, if you raise the budget, if you increase the budget, where would you fund it? Very interesting. All of these people said, don't give us any new programs. If you are going to do anything, look at the 5-year planning document; and if you are going to do anything, help us save some resources by accelerating the buy, bringing forward programs.

Final observation. Part of that is what comes through very clearly both from the Secretaries and now from the service Chiefs is that they are very comfortable with the 5-year plan, the programs that are embodied in the 5-year plan. But if you are going to do anything about increasing it, as I keep saying, you don't have to be a rocket scientist on this committee to realize that you guys are

going to plus-up the account. The question is, do you do it by adding big-ticket items that only begin to challenge their priorities in the outyears or do you do it within the framework of some continuity and some significant planning?

Given the testimony of the witnesses, it appears as if they are saying don't give us these new programs or don't throw a lot of money out there across a whole range of ideas and hope that maybe two or three of them might hit in the bull's-eye that they have laid out.

So, Mr. Chairman, I would just appreciate your indulgence in making those three observations. These are issues we have to continue to contend with, and I appreciate your generosity.

I will yield back the balance of my time.

The CHAIRMAN. Thank you very much.

One concluding observation I might have along those same lines, too.

I think the main point that we have been trying to make—or at least a lot of us—is that to say that in the future at some time, 5 or 6 years from now, is when we are going to try to catch up on modernization is really unrealistic. That is somebody else's watch. That is another administration, and you cannot find another administration to do all these things. By not doing them now and hoping somebody else will do it later on and making it look like we are going to do it later on—we are trying to do it right now and do these things that are in the plan as soon as we can and make sure they are going to be done and not put them off for somebody else.

Thank you very much, gentlemen. You have made a very significant contribution to our hearing, and we appreciate it and apologize for keeping you this long.

[Whereupon, at 1:45 p.m., the committee was adjourned.]

[The following questions were submitted for the record:]

QUESTION FOR EACH OF THE CHIEFS

The CHAIRMAN. I would like to pick-up where I left off last year at this hearing. I suspect that none of your budgets contain everything you believe is necessary to meet your service specific requirements, or to meet the demands of the national strategy at the lowest levels of risk.

I also recognize the political reality that each of you must officially "support" the President's budget regardless of your shortfalls. However, I would expect each of you, as the senior officer in uniform in each of your services, to be willing and able to express a personal opinion in response to the following hypothetical question.

If each of your services were to receive an additional \$1.5–\$2 billion in the FY 97 budget as a result of congressional action on the Budget Resolution, where would you deem it most critical to apply these funds and why?

Please feel free to respond generally, but I would also like some prioritized and specific examples.

Also, and only if necessary, please qualify your answers based on two different assumptions:

First, that an add of this magnitude will be sustained over the next five years and,

Alternatively, that an add of this magnitude will only be sustainable for the next 2–3 years, after which point the Administration's budget becomes the "high water mark."

I plan to follow up in writing with each of you so you will be given further opportunity to expand upon the answer you give this morning.



UNITED STATES ARMY
THE CHIEF OF STAFF

March 26, 1996



The Honorable Floyd D. Spence
Chairman, House National Security Committee
Washington, DC 20515

Dear Mr. Chairman:

In response to your request to provide detailed information should the Army receive additional funding, I have provided you with both updated executive-level charts and a prioritized list as attachments. While we support the President's Budget and recognize it provides the best balance with the available resources, the attached charts graphically show our needs and the Army's focus should we get additional funds.

Preliminary summary data charts were provided last week in an effort to define the parameters of need; those being modernization, infrastructure revitalization, and readiness. The updates enclosed maintain the same parameters, but reflect some refinement of the detail.

We are helping ourselves meet this dilemma through a concerted effort to become more efficient, but are most appreciative of any assistance you can provide. We are pursuing a series of initiatives designed to maximize the use of our resources. We intend to garner savings from efficiencies to help pay for a force structure commensurate with our missions, stabilize quality of life programs, and increase investment in modernization.

Sincerely,

Dennis J. Reimer
General, United States Army
Chief of Staff

Attachments

ADDITIONAL FY 97 FUNDING

1ST BILLION

MODERNIZATION

\$.7B

Buy Out Programs Early(Bradley Mods-Armor Tiles, ARL-M) (\$41M)
 Investment for Economic Efficiencies (Singer Bkl, IRV, HMMWV, Javelin) (\$169M)
 LOG Automation (Total Distribution System) (\$89M)
 CS/CSS (RDTE BASOPS, CH-47 MODS Procurement, CH-47 ICH, 714 Eng RDTE)(\$157M)
 C4I (SICPS Shelters, CSCSS) (\$14M)
 Night Vision (TWS, NVG, Aiming Lights, Spares, Dismounted Combat ID, NVEO) (\$92M)
 Force XXI (Operational Prototyping, Applique, ATM, Digitization)(\$127M)
 Critical Mod Shortfalls (Bradley Mods to A3)(\$57M)

INFRASTRUCTURE REVITALIZATION

\$.25B

Barracks Revitalization (\$95M)
 Real Property Maintenance (\$155M)

READINESS

\$.05B

End-Item Management (\$50M)

ADDITIONAL FY97 FUNDING

2ND BILLION

MODERNIZATION

\$.7B

Buy Out Programs Early (FAASV, Air Defense Tac Opns Centers) (\$46M)
 CS/CSS (HAB, RO/RO, Discharge Facility, Pusher Tug) (\$36)
 Support Reserve Components (Launcher & ASIOE for 2X9 Conversion) (\$227M)
 Soldier Enhancements (Portable Periscopes, Mini Binoculars, Individual Radios) (\$1M)
 Night Vision (NVGs, Target Acq Sys, Aiming Lights, 25mm Tubes) (\$53M)
 Force XXI (Force XXI Division Tactical Operations Centers) (\$10M)
 Critical Mod Shortfalls (Longbow Apache Mods & Fire Control Radar) (\$335M)
 Ammunition (War Res & Trng, 25mm Bradley, 120mm Tank, 155 ER, Volcano, Small Arms) (\$125M)

INFRASTRUCTURE REVITALIZATION

\$.225B

Family Housing Construction (\$100M)
 Real Property Maintenance (\$65M)
 Accelerated Construction Projects (\$45M)
 PPC41 (\$20M)

READINESS

\$.075B

Ammunition Management (\$50M)
 Strategic Mobility (\$27M)

ADDITIONAL FY97 FUNDING

3RD BILLION

MODERNIZATION

\$.7B

Buy Out Programs Early(Armored combat Earthmover, FAASV, FHMUX) (\$175M)
 Investment for Economic Efficiencies(Javelin, ITAS, ATACMS/BAT, ABRAMS Mods) (\$189M)
 CS/CSS(TOG, HEMTT's, DEUCE, Hydraulic Excavator) (\$108M)
 Soldier Enhancements(Distance Learning, Modular Sleeping Bags, Crew Boots) (\$105M)
 C4I (JCPMS, PPC4I, ASAS, SMART-TX)(\$63M)
 Force XXI (C4I System Interoperability)(\$11M)
 Critical Mod Shortfalls (Bradley Fire Spt Vehicle Mods, Javelin Missiles, SINGGARS-Air)(\$61M)

\$.2B

INFRASTRUCTURE REVITALIZATION

Real Property Maintenance (\$100M)
 Army Family Housing Operations (\$100M)

READINESS

\$.1B

DMS (\$48M)
 Title XI (\$51M)

ARMY 1-11151
REFUND OF REQUIREMENTS

REFUND OF COURSE FEES

[illegible]

ARMY IN 1987

UNPUBLISHED REQUIREMENTS

5.00	Cd	FPE	EW	ALAS	64321 B10				3.5	0.0	0.0	0.0	0.0	3.5	Reference functionality to ensure better operations within Bde level.	3
10.00	Cd	FPE	EW	TRCS Tm Radio	64400 B82				1.5	0.0	0.0	0.0	0.0	1.5	Developed Host-ile radio.	3
10.00	F31	FPE	C3	SEI	64418 C34				3.0	0.0	0.0	0.0	0.0	3.0	System engineering and integration to support integrated integration for Force JOL	3
01.00	CdS	FPE	C3	SINCLARS - AU	J5600	OPAZ			1.3	0.0	0.0	0.0	0.0	22.0	Upgrade Airborne SINCLARS to provide BNCOM-AR capability to detect.	3
02.00	Cd	FPE	C3	SMART-T	53148 B74	ROTE			2.9	0.0	0.0	0.0	0.0	2.9	SMART-T interface with tactical predictive	3
03.00	READ	MAN	MOB	QAS	64400 B82	OMA			4.0	0.0	0.0	0.0	0.0	4.0	QAS JOLN C3000	3
04.00	Cd	FRD	MOB	DTSS	64400 B82	OPAZ			2.5	0.0	0.0	0.0	0.0	2.5	C3000 upgrade to 8.0m DTSS configurations in FY97.	3
05.00	CdS	FUY	FS	BPST	83758 B44	Per Support Vehicle Integration			13.0	0.0	0.0	0.0	0.0	13.0	Low Level Design/Integration/ID to include BPST	3
06.00	CdS	FUY	FS	BPST	83758 B44	Per Support Vehicle Integration			14.0	0.0	0.0	0.0	0.0	14.0	BPST support vehicle integration for Force JOLN C3000	3
07.00	Cd	FPE	EW	WIN (Weapon Info Network)	881811	NEW MOD-IN-SERVICE			0.5	101.0	100.0	87.0	71.0	370.0	WIN will increase the security and velocity of information distribution throughout the battlespace to gain information dominance by increasing the security of the WIN	3
08.00	Cd	FPE	EW	HEATTE (Weapon/Target)	881811	NEW MOD-IN-SERVICE			0.5	101.0	100.0	87.0	71.0	370.0	WIN will increase the security and velocity of information distribution throughout the battlespace to gain information dominance by increasing the security of the WIN	3
09.00	Cd	FPE	EW	HEATTE (Weapon/Target)	881811	NEW MOD-IN-SERVICE			0.5	101.0	100.0	87.0	71.0	370.0	WIN will increase the security and velocity of information distribution throughout the battlespace to gain information dominance by increasing the security of the WIN	3
10.00	Cd	FPE	EW	HEATTE (Weapon/Target)	881811	NEW MOD-IN-SERVICE			0.5	101.0	100.0	87.0	71.0	370.0	WIN will increase the security and velocity of information distribution throughout the battlespace to gain information dominance by increasing the security of the WIN	3
11.00	Cd	FPE	EW	HEATTE (Weapon/Target)	881811	NEW MOD-IN-SERVICE			0.5	101.0	100.0	87.0	71.0	370.0	WIN will increase the security and velocity of information distribution throughout the battlespace to gain information dominance by increasing the security of the WIN	3
12.00	Cd	FPE	EW	HEATTE (Weapon/Target)	881811	NEW MOD-IN-SERVICE			0.5	101.0	100.0	87.0	71.0	370.0	WIN will increase the security and velocity of information distribution throughout the battlespace to gain information dominance by increasing the security of the WIN	3
13.00	Cd	FPE	EW	HEATTE (Weapon/Target)	881811	NEW MOD-IN-SERVICE			0.5	101.0	100.0	87.0	71.0	370.0	WIN will increase the security and velocity of information distribution throughout the battlespace to gain information dominance by increasing the security of the WIN	3
14.00	Cd	FPE	EW	HEATTE (Weapon/Target)	881811	NEW MOD-IN-SERVICE			0.5	101.0	100.0	87.0	71.0	370.0	WIN will increase the security and velocity of information distribution throughout the battlespace to gain information dominance by increasing the security of the WIN	3
15.00	Cd	FPE	EW	HEATTE (Weapon/Target)	881811	NEW MOD-IN-SERVICE			0.5	101.0	100.0	87.0	71.0	370.0	WIN will increase the security and velocity of information distribution throughout the battlespace to gain information dominance by increasing the security of the WIN	3
16.00	Cd	FPE	EW	HEATTE (Weapon/Target)	881811	NEW MOD-IN-SERVICE			0.5	101.0	100.0	87.0	71.0	370.0	WIN will increase the security and velocity of information distribution throughout the battlespace to gain information dominance by increasing the security of the WIN	3
17.00	Cd	FPE	EW	HEATTE (Weapon/Target)	881811	NEW MOD-IN-SERVICE			0.5	101.0	100.0	87.0	71.0	370.0	WIN will increase the security and velocity of information distribution throughout the battlespace to gain information dominance by increasing the security of the WIN	3
18.00	Cd	FPE	EW	HEATTE (Weapon/Target)	881811	NEW MOD-IN-SERVICE			0.5	101.0	100.0	87.0	71.0	370.0	WIN will increase the security and velocity of information distribution throughout the battlespace to gain information dominance by increasing the security of the WIN	3
19.00	Cd	FPE	EW	HEATTE (Weapon/Target)	881811	NEW MOD-IN-SERVICE			0.5	101.0	100.0	87.0	71.0	370.0	WIN will increase the security and velocity of information distribution throughout the battlespace to gain information dominance by increasing the security of the WIN	3
20.00	Cd	FPE	EW	HEATTE (Weapon/Target)	881811	NEW MOD-IN-SERVICE			0.5	101.0	100.0	87.0	71.0	370.0	WIN will increase the security and velocity of information distribution throughout the battlespace to gain information dominance by increasing the security of the WIN	3

ARMY 1-41187

[illegible]

REMARKS ON COMMENTS

[illegible]

ARMY 1-N-151

FINANCIAL REQUIREMENTS

[illegible]

[illegible]

[illegible]

ARMY 1-41 LBT
UNFINISHED REQUIREMENTS

216.00	CS	RUCB	MOB	BREACHER	94409 Q25	BREACHER DEV	NOTE	0.0	11.7	20.3	0.0	18.4	50.7	Female maintaining BMD schedule. Improve rate to 80% and subsequent PUE PUE. Antagonize ACHT erosion resulting in high level of erosion. Antagonize ACHT erosion of destroyed chassis (PQMI UPR).
217.00	CS	TRWG	RUCB	WABSM	94718 240	TACBIL - Tactica Simulation		0.0	10.0	1.7	1.1	0.0	12.8	Full battle software development for WABSM 2000 required to ensure PUE initial operating capability
218.00	CS	ATIG	CS	TACBIL	923590	Test Measurement Diagnostic Eq	OPAS	50.0	17.0	8.3	8.0	0.0	60.3	Provides 80% of required IOD operating capability to enhance readiness. Buy CAL test.
219.00	CS	RAOB	INT	Comba Manover	93728 280	MECVEN CHUPPI PHQ		1.7	1.7	0.0	0.0	0.0	3.4	For location in Improved Recovery Vehicle (Hercules)
220.00	FS	FS	FS	System	924851	FED Upgrade	OPAS	9.9	20.3	20.0	0.0	0.0	60.2	Upgrade 4000 PEs to FA Tactical Data Systems
221.00	FS	FS	FS	System	924851	FED Upgrade	OPAS	9.9	20.3	20.0	0.0	0.0	60.2	Upgrade 4000 PEs to FA Tactical Data Systems
222.00	INV	ICNI	IRG	STOW	94700 073	SYNTHETIC THEATER OF WAR		18.5	6.0	6.3	7.4	7.8	46.0	Female Army's contribution for developing synthetic environment for testing & evaluating Force XXI
223.00	INV	ICNI	IRG	STOW	94700 073	SYNTHETIC THEATER OF WAR		18.5	6.0	6.3	7.4	7.8	46.0	Female Army's contribution for developing synthetic environment for testing & evaluating Force XXI
224.00	INV	ICNI	IRG	STOW	94700 073	SYNTHETIC THEATER OF WAR		18.5	6.0	6.3	7.4	7.8	46.0	Female Army's contribution for developing synthetic environment for testing & evaluating Force XXI
225.00	INV	ICNI	IRG	STOW	94700 073	SYNTHETIC THEATER OF WAR		18.5	6.0	6.3	7.4	7.8	46.0	Female Army's contribution for developing synthetic environment for testing & evaluating Force XXI
226.00	INV	ICNI	IRG	STOW	94700 073	SYNTHETIC THEATER OF WAR		18.5	6.0	6.3	7.4	7.8	46.0	Female Army's contribution for developing synthetic environment for testing & evaluating Force XXI
227.00	INV	ICNI	IRG	STOW	94700 073	SYNTHETIC THEATER OF WAR		18.5	6.0	6.3	7.4	7.8	46.0	Female Army's contribution for developing synthetic environment for testing & evaluating Force XXI
228.00	INV	ICNI	IRG	STOW	94700 073	SYNTHETIC THEATER OF WAR		18.5	6.0	6.3	7.4	7.8	46.0	Female Army's contribution for developing synthetic environment for testing & evaluating Force XXI
229.00	INV	ICNI	IRG	STOW	94700 073	SYNTHETIC THEATER OF WAR		18.5	6.0	6.3	7.4	7.8	46.0	Female Army's contribution for developing synthetic environment for testing & evaluating Force XXI
230.00	INV	ICNI	IRG	STOW	94700 073	SYNTHETIC THEATER OF WAR		18.5	6.0	6.3	7.4	7.8	46.0	Female Army's contribution for developing synthetic environment for testing & evaluating Force XXI
231.00	INV	ICNI	IRG	STOW	94700 073	SYNTHETIC THEATER OF WAR		18.5	6.0	6.3	7.4	7.8	46.0	Female Army's contribution for developing synthetic environment for testing & evaluating Force XXI
232.00	INV	ICNI	IRG	STOW	94700 073	SYNTHETIC THEATER OF WAR		18.5	6.0	6.3	7.4	7.8	46.0	Female Army's contribution for developing synthetic environment for testing & evaluating Force XXI
233.00	INV	ICNI	IRG	STOW	94700 073	SYNTHETIC THEATER OF WAR		18.5	6.0	6.3	7.4	7.8	46.0	Female Army's contribution for developing synthetic environment for testing & evaluating Force XXI
234.00	INV	ICNI	IRG	STOW	94700 073	SYNTHETIC THEATER OF WAR		18.5	6.0	6.3	7.4	7.8	46.0	Female Army's contribution for developing synthetic environment for testing & evaluating Force XXI
235.00	INV	ICNI	IRG	STOW	94700 073	SYNTHETIC THEATER OF WAR		18.5	6.0	6.3	7.4	7.8	46.0	Female Army's contribution for developing synthetic environment for testing & evaluating Force XXI
236.00	INV	ICNI	IRG	STOW	94700 073	SYNTHETIC THEATER OF WAR		18.5	6.0	6.3	7.4	7.8	46.0	Female Army's contribution for developing synthetic environment for testing & evaluating Force XXI
237.00	INV	ICNI	IRG	STOW	94700 073	SYNTHETIC THEATER OF WAR		18.5	6.0	6.3	7.4	7.8	46.0	Female Army's contribution for developing synthetic environment for testing & evaluating Force XXI
238.00	INV	ICNI	IRG	STOW	94700 073	SYNTHETIC THEATER OF WAR		18.5	6.0	6.3	7.4	7.8	46.0	Female Army's contribution for developing synthetic environment for testing & evaluating Force XXI

ADAM L. LESTER
UNIONED BROTHERHOOD

[illegible]



CHIEF OF NAVAL OPERATIONS

18 March 1996

Dear Mr. Chairman,

Thank you for the opportunity to provide a written response to questions you asked during the 13 March 1996 hearing before your committee.

You asked me what priorities for program increases I would recommend if additional funding were to become available as a result of Congressional action. As I testified, my priority would be to recapitalize our Navy by funding approved programs we deferred in order to protect near term readiness. I have enclosed a summary of these programs in response to your request for prioritized and specific examples.

As always, I appreciate the leadership you and the Committee continue to show on this important issue.

Sincerely,

J. M. BOORDA
Admiral, U.S. Navy

The Honorable Floyd D. Spence
Chairman, House National Security Committee
House of Representatives
Washington, D.C. 20515-4002

Enclosure

Copy to:
The Honorable Ronald V. Dellums
Ranking Minority

FY97 Congressional Program Priorities

Program	TY\$M	Notes
NSSN AP (FY99 NSSN)	504	Funds nuc/non-nuc AP for FY99 NSSN authorized in FY96 Auth Bill
Add 1 LPD-17 ship	825	Procures the 2nd ship of the class in FY97
Restore AV8-B (10 to 12)	68	Restores 2 a/c lost due to affordability
Restore E2C (2 to 4)	155	Restores 2 a/c lost due to affordability
EA6B		Inserts high-priority programs for critical national missions
Band 9/10 jammer		40 FY96 APPN Act provides 60; request buys remaining 60 sets
USQ13(comm jammer)		75 FY96 APPN Act provides 30; request buys remaining 90 sets
Turb Eng Blade Contain		40 Procures Turb Eng Blade Containment Sys for 120 a/c (reliability mod)
Cir Wing Sects		50 Procures 10 Cir Wing Sections for replacement (safety/reliability mod)
Total	205	
F/A-18C (6 a/c)	185	Restores last 6 of 24 a/c lost in POM-96 due to affordability; Senate FY96 action funded 24 a/c; Conference & final APPN Act bought 18. Will replace older F/A-18As
DDG51 (3 DDGs - FY98)	750	Establishes stable production rate @ 3 ships/yr by funding in FY97 AP for 3 FY98 ships
TLAM		
Procurement		32 Incr qty (113 to 157; max contract qty) for Surf Blk IIIC; inc total inv FY99 to 2851 (shipfill = 5849)
Recen/Reman		55 Recents all (334 mals, Surf/Sub IICs) due FY97 (incr of 230); also reman 45 Blk IIC-IIIC (approx Ind Cap)
Total	87	
JSOW (Baseline)	71	Incr (+200) qty to 300 in FY97 (max LRIP); IOC: FY98
CEC (accel jnt effort)	55	Provides funding to accelerate CEC integration on joint systems (AWACS/Patrol/THAAD/Hawk)
SCN Intl Offset (SSN-23)	105	Restore programmatic adj made in PBD 604
SUB-TOTAL	\$3,010	



19 March 1996

Dear Mr. Chairman,

As per your request at the hearing before your committee on 13 March 1996, you requested a list of items we would pursue should additional dollars be provided for defense spending. Accordingly, I am providing the attached list of programs which have already received budget scrutiny and could be pulled forward to field important capabilities earlier and to save dollars through more cost effective procurement profiles.

This list has also been provided to the Senate Armed Services Committee in response to the question of how we would use an additional \$2 Billion dollars should it become available.

Thank you for the opportunity to appear before your committee and for your support of our armed services.

Very Respectfully,

C. T. KESTLER
General, U.S. Marine Corps
Commandant of the Marine Corps

The Honorable Floyd Spence
Chairman
House Committee on National Security
U.S. House of Representatives
Washington, DC 20515-4002

U.S. MARINE CORPS READINESS ENHANCEMENTS

As the Secretary of Defense has stated, the DoD budget strikes a "prudent balance between immediate military needs, such as high readiness and troop morale, and long-term investments, such as basic scientific research and the modernization of weapons and equipment." The Marine Corps budget supports today - a Marine Corps capable of meeting today's burgeoning operational requirements. Should additional dollars be provided above the budget request accounts, we would recommend pulling other readiness, modernization and infrastructure investments to free up room for essential modernization for tomorrow and the day after tomorrow in FY 1998 and beyond.

In keeping with the Secretary's goal to begin a modernization "ramp up," our modernization requirements are constructed upon four of the Secretary's five basic objectives: To continue "leap-ahead" technology; to expand cost effective upgrades of existing systems; to continue enhancements to power projection capabilities; and, to ensure battlefield dominance. Specific programs which support these objectives are as follows:

In order to continue "leap-ahead" technology, we would accelerate the development of highly sophisticated new warfighting capabilities such as:

MV-22	(Moves IOC to the left by procuring extra aircraft in FY 97 and providing advance procurement for extra aircraft in FY 98.)	\$302.0M
AAAV		\$ 20.0M
Commandant's Warfighting Lab		\$ 40.0M
Telecommunications Upgrades		\$ 18.8M
Non-Lethal Weapons		\$ 3.0M
Bio-Chem Defense Unit		\$ 3.0M

We would expand cost effective upgrades of the following existing systems:

AV8-B		\$ 56.0M
Medium Tactical Vehicle Reman (MTVR)		\$ 3.0M
LW 155 Howitzer		\$ 4.0M
AN/TPQ-36 Radar Upgrades		\$ 3.8M
Aviation Simulators		\$ 60.0M
Mobility Enhancements		\$ 28.3M

We would continue to enhance power projections capabilities by procuring:

MPF(E)		\$250.0M
F/A-18D		\$255.0M
KC-130J		\$196.0M
CH-53E		\$ 64.0M

The following programs would help ensure continued battlefield dominance:

Javelin	\$ 20.0M
JTF Headquarters	\$ 1.7M
Training Devices	\$ 58.2M
Combat Operations Centers	\$ 6.0M
Ammunition	\$ 98.0M
Intelligence Upgrades	\$ 17.3M
Wide-area mine clearing	\$ 2.5M
Other miscellaneous equipment	\$ 9.8M

Other beneficial readiness and infrastructure items which can be pulled forward include:

Initial Issue	\$ 35.7M
Ammo Rework	\$ 5.0M
Maintenance of Real Property	\$193.0M
Recruiting and Advertising	\$ 4.7M
Base Operations	\$ 40.0M
JTF Headquarters	\$ 5.0M
Riverine Program	\$ 3.0M
Combat Operations Center	\$ 5.0M
Commandant's Warfighting Lab	\$ 8.0M
Corrosion Control	\$ 10.0M
Personnel Support Equipment	\$ 26.0M
Off Duty Education	\$ 4.5M
MWR Support	\$ 3.4M
Child Care	\$ 3.5M
Military Construction (Active)	\$ 97.4M
Military Construction (Reserve)	\$ 23.1M
Family Housing Improvements	\$ 6.0M
Family Housing New Construction	\$ 72.0M
Reserve O&M Support	<u>\$ 7.5M</u>
	\$ 2,031 B

DEPARTMENT OF THE AIR FORCE
OFFICE OF THE CHIEF OF STAFF
WASHINGTON, DC

22 MAR 1996

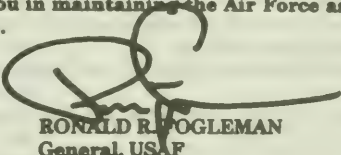
HQ USAF/CC
1670 Air Force Pentagon
Washington, DC 20330-1670

The Honorable Floyd D. Spence
Chairman, Committee on
National Security
House of Representatives
Washington, DC 20515

Dear Mr. Chairman

In responding to the request of the Committee, I have enclosed a list of prioritized unfunded Air Force requirements for your information. As I have testified to your committee, should any additional funding be available for Air Force procurement, bringing forward existing requirements would represent the best use of funding. As agreed with the HNSC Staff Director, Mr. Ellis, the Air Force will provide supporting rationale for these items in direct discussions with your staff.

Thank you for your support of Air Force programs. We very much appreciate your interest in continued modernization of our force structure and look forward to working with you in maintaining the Air Force as the world's premiere air and space force.



RONALD R. FOGLEMAN
General, USAF
Chief of Staff

FY 97-99 Priorities List (\$M)

As of 3/3/96

Pri	TITLE	FY97	FY98	FY99	FY00	FY01	Total
1	JSTARS	460.0	0.0	0.0	0.0	16.0	466.0
	Procures two a/c in FY 97 and additional O&M support in FY 01						
	F-15E	152.9	297.1	0.0	0.0	0.0	450.0
	FY 97 includes 2 F-15Es and long lead items for 6 F-15Es in FY 98 (\$48.8M)						
3	F-16	69.4	146.3	161.8	172.7	178.0	708.0
	FY 97 includes 2 F-16s and long lead items for 6 F-16s in FY 98 (\$10.0M)						
4	GPS Space Segment	10.1	20.0	40.9	36.0	35.9	141.9
	Increases initial procurement rate for GPS IIF from 2 to 3 in FY97; and 1 to 3 in FY98/00/01						
5	AWACS Extend Sentry	72.5	93.0	78.3	107.0	52.5	403.6
	Extends AWACS to 2025. Renovates airframe, avionics and other aircraft systems						
6	AWACS ReEngine	109.0	247.0	254.0	266.0	277.0	1,153.0
	Reengines all 33 U.S. AWACS between FY98-03						
7	RC-135 ReEngine	145.2	124.5	133.3	136.1	6.8	545.9
	Completes RC-135 reengining (2/6/5/5/5 kts per year). Installation complete in FY 02						
8	Link 16	73.9	173.1	110.0	55.0	0.0	412.0
	Senior Span; Sensor-to-shooter/Link 16 on F-16 and F-15E, RJ fleet, B-1 and terminals in Mod Air Ops Center						
9	C-130J	406.5	299.2	305.5	404.9	327.7	1,745.8
	Procures 6/6/6/6/6 a/c & associated support equipment. Buys ABCCC, WC-130 & EC-130 & tmg assets						
10	Precision Guided Muns	114.8	121.1	166.5	188.7	194.3	785.2
	Funds SFW/P31, JASSM w/ B-1 & B-2 integration, JDAM bodies & kts, CALCM, GBU-28 & AGM-130						
11	60K Loader	23.1	24.3	12.3	9.8	-1.6	57.9
	Procures 20 add'l loaders in FY97 & 15 in FY98. Continues economic procure rate to prog completion						
	Airlift Defensive Sys	22.3	25.1	17.2	0.0	0.0	64.6
	Completes installation of Airlift Defensive Systems on C-130 aircraft, including ANG & AFR						
13	JFACC Sit Aware Sys (JSAS)	9.5	2.8	2.8	2.8	2.8	21.7
	Provides JSAS capability to NAF/CC's and selected joint force commanders for battle space awareness						
14	JPATS	19.4	11.6	45.5	86.6	93.2	256.3
	Buys out JPATS procurement in FY 04 vice FY 09 (22/40/60/60/60/60 vs 18/18/24/30/36/36)						
15	Replacement Vehicle Exp	140.0	205.0	185.0	195.0	220.0	945.0
	Six year fix of vehicle program to fill shortages and replace aging mission critical vehicles						
16	C-5 Mods	2.1	33.6	15.0	-4.9	0.0	45.8
	Funds critical C-5 mods: engine, autopilot, tires, APU, GPS, MADARs, SELCAL, etc						
17	RC-135 (RJ-16/16) Modification	63.7	0.0	0.0	0.0	0.0	63.7
	Permits simultaneous modification of a/c. Delivery of 2nd a/c accelerated from FY 01 to FY 99						
18	Band 1.5	17.0	24.1	108.9	94.4	92.8	337.2
	Funds ECM Band 1.5 for F-15E has ACC, PACAF & USAF commander's support						
19	Theater Missile Defense	66.5	89.1	68.7	41.5	0.0	245.8
	Funds Combat Integra Capability, RJ medium wave IR Acq, and F-15E TMD Eagle & Sensor Mods						
20	Theater Deployable Comm	70.3	74.9	51.0	55.8	93.2	405.0
	Decreases airlift requirement to meet two MRC objective						
21	Base Info Infrastructure	76.5	75.1	77.1	80.8	85.2	374.7
	Infrastructure upgrades to 44 bases (FY 97-8; 98-9; 99-10; 00-11; 01-7)						
22	Abn Comm Integration/Equipage	12.0	10.0	10.0	7.0	0.0	39.0
	Provides comm/ground integration for CINC support aircraft						

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Pri	TITLE	FY97	FY98	FY99	FY00	FY01	Total
23	PW-220E Engine	47.0	84.0	96.9	47.9	0.0	284.8
	Replaces older F-15A-D engines (F100-100 to -220E) in PACAF and USAFE (6 Sqdns)						
	Housing (Dorms)	182.0	188.0	129.0	100.0	98.0	675.0
	Replaces out permanent party central latrines by FY 98, Keesler dorms, and begins buying out deficit.						
25	Information Protection	81.0	87.5	8.5	0.0	0.0	147.0
	Provides initial base level information protection for unstructured threat.						
26	Tuition Assistance	9.5	14.2	15.0	18.1	17.7	72.5
	Fully supports 75% tuition reimbursement rate						
27	Housing (MFH)	143.5	157.9	149.6	163.0	176.4	790.4
	Eliminates inadequate housing over 20 year period/stops growth of deferred mx						
28	MILCON	165.0	279.0	189.0	180.0	137.0	900.0
	Provides funding to correct additional CFA deficiencies						
29	DAMA	21.2	45.6	57.3	84.0	46.3	234.4
	Funds secure voice and UHF SATCOM for 73 AFSOC and 33 AMC aircraft						
30	A-10 Training Device	9.6	7.8	8.1	0.0	0.0	25.5
	Funds A-10 unit-level low cost simulator capability (no sim currently)						
31	KC-10/KC-135 Sim Upgr	63.0	0.0	0.0	0.0	0.0	63.0
	Accelerates upgrade of KC-10/KC-135 visual and motion systems						
TOTAL		2,840.3	2,890.9	2,496.0	2,518.0	2,127.5	12,872.7

Mr. HANSEN. As a war fighter do you personally believe that a strong and efficient organic depot maintenance capability is necessary to support combat readiness?

General FOGLEMAN. Yes. Historically, our Air Logistics Centers have made key contributions to Air Force Readiness. We advocate continuance of that tradition by sizing DOD depots in accordance with the core methodology. The core methodology ensures retention of the essential core organic capabilities necessary for the Services to meet their wartime mission, including all combat readiness requirements.

Mr. HANSEN. How important was depot support in Desert Storm?

General FOGLEMAN. Very important. Both our Air Logistics Centers and our commercial depot sources provided key support during Desert Storm. At Ogden Air Logistics Center, for example, the depot's production surge in support of the war effort yielded 1775 additional components for F-4, F-16, F-15, A-10, F-111, C-141, and C-5 aircraft. Ogden's efforts helped achieve near record mission capable rates for the F-4 and F-16 aircraft during the conflict. Ogden personnel deployed to the Middle East to provide aircraft battle damage assessment, on site engineering support, and aircraft repair actions. There are numerous other examples of effective combat support provided by Ogden, the other four Air Logistics Centers, and contract depot locations.

Mr. HANSEN. It is important to future readiness to ensure that those maintenance "Centers of Excellence" that we retain, be properly work loaded to ensure cost efficiency and technical proficiency, in peace time and war?

General FOGLEMAN. Yes. We seek to optimize workload at the Centers in consonance with other mission requirements. Core capabilities remain our most important consideration in retained depots. They ensure the existence of sufficient depot maintenance capability to permit the Services to meet their wartime missions. As a secondary, but very important consideration, the new core computation process also provides for adding the necessary workloads to ensure both cost efficiency and technical proficiency.

Mr. HANSEN. Does the Air Force intend to move the "core" workload to those facilities, where like capabilities and facilities already exist, to help eliminate the nearly 50% excess capacity that exists in the remaining ALCs as recommended by the BRAC?

General FOGLEMAN. The workload currently performed at closing Air Logistics Centers that is ultimately identified by the Air Force as necessary to sustain core capabilities will be moved to other organic DOD depots.

Mr. HANSEN. Will the depots be allowed to compete for other workloads as required by Title 10 2469?

General FOGLEMAN. On March 31, 1996, the Office of the Secretary of Defense submitted to Congress a document entitled "Policy Regarding Performance of Depot-Level Maintenance and Repair." Under that proposed policy, organic depots can compete with private sector sources of repair when there does not appear to be adequate competition for specific Department of Defense (DOD) workloads within the private sector. The DOD believes that where private sector competition exists, it will provide the Department with the best value source for its accomplishment. In other cases, organic depots can and should vie for the workload.

Mr. HANSEN. Are the Air Logistics Centers fully certified to compete under Section 2469 and if not, what is the Air Force plan to ensure compliance with this requirement?

General FOGLEMAN. The new depot policy represents the first fully supportive guidance on depot competition since the Deputy Secretary of Defense suspended such competitions in May 1994. We anticipate that once this policy becomes finalized, the Office of the Secretary of Defense will provide instructions on the certification procedures necessary for our depots to enter these competitions. At that time, we will move aggressively to ensure our remaining depots meet the certification criteria.



JCS View of Recapitalization

Chairman's Program Assessment

"I believe we risk future combat readiness of the US military if we fail to adequately fund recapitalization, starting in FY 1997."

"I urge you to set a procurement goal of about \$60 billion per year beginning in FY 1998."

"Both the Administration and Congressional balanced budget efforts will make it unlikely that DoD's real buying power will trend upwards in the foreseeable future... For example, the plans do not include contingencies, backlogs in Real Property Maintenance, military pay raises in 2000 and 2001, and civilian pay raises across the FYDP, just to mention a few."

Mr. DORNAN. What is your opinion on ramping up production of the V-22 in order to accelerate fielding of this revolutionary aircraft to front line Marine Units?

General KRULAK. In terms of economics, modernization, and operational capability, there are several advantages associated with increasing the production rate. With increased funding, a procurement rate of 24-36 MV-22s per year could save the taxpayer as much as \$6 to \$8 billion (using inflation indices as reflected in the FY96 budget), or \$4.4 to \$5.4 billion (using the lower inflation indices as reflected in the FY97 budget). This procurement rate would allow for completion of delivery of the MV-22 to the fleet 11 years earlier than the current procurement plan.

Accelerated modernization would reduce our strategic C-5/C-17 airlift requirements due to the V-22's inherent global self-deployment capability. This would also result in improved force closure.

In terms of operational capability, it will enhance our warfighting capabilities in support of forward presence/crisis response missions. Additionally, its speed and mobility will increase aircraft and assault force survivability. The V-22 is one of those major advances in technology that rarely occur and bring with them a major step forward in capability.

Mr. DORNAN. Is this your number one priority for any funding added to the budget?

General KRULAK. Yes, the MV-22 remains the Marine Corps' highest acquisition priority.

Mr. DORNAN. What exactly would you personally like to see in terms of ramping up production in FY-97?

General KRULAK. Should additional funds be made available for this program, we would like to see increased procurement funding of \$232M in FY97. This would increase the FY97 production rate by two aircraft, for a total of six vice four. Additionally, we would recommend adding \$70M to provide Advance Procurement funds to support a more efficient FY98 production quantity of 12 aircraft vice the presently planned quantity of 5.

PRIVATIZATION

Mr. BROWDER. The Defense Department's new interpretation of core would leave depot-level maintenance of new weapons systems in the hands of the private sector, and the Department's plans to increase privatization and outsourcing of depot-level maintenance would send the workload from closing depots to the private sector. With no new work coming into the organic depot system, how do the Services plan to keep the remaining depots cost efficient and competitive?

General REIMER. The Department's plan for new weapons systems is essentially the same as with any other weapons system with respect to core. Core depot maintenance capability requirements are established to meet essential wartime surge demands, promote competition, and sustain institutional expertise. The most significant revision to the core policy was the inclusion of the opportunity to evaluate and subsequently utilize commercial sources of depot-level support where risk can be mitigated and best value obtained. As new systems are acquired, it is important to consider both the need for core capabilities in the public sector and the potential to obtain full spectrum contractor support. However, all options for private sector support are subordinate to any core depot maintenance capability requirements identified in the support analysis for new weapons systems. Once the core capability requirements are met, the remaining workload must be accomplished such that best value is attained. This will involve consideration of not only the private sector, but also efficient peacetime use of the established core capability requirements. It may also involve having organic depots compete with the private sector when it is determined that competition from the private sector is inadequate.

Mr. BROWDER. Why are the Services willing to accept the readiness risk that will come with the loss of a ready and reliable source of repair to support the warfighter?

General REIMER. The Services are not willing to take unacceptable risks to readiness. As part of the process for determining the core capability requirements, Services must conduct a risk assessment of the private sector capabilities to determine if it can provide the required privatization capabilities with acceptable risk, reliability and efficiency. Workload will be available for competition in the private sector only after these criteria are met.

Mr. BROWDER. Deputy Secretary White has stated that the services may keep the savings they achieve from privatization and use them to fund procurement. Why are the services willing to risk modernization on the as yet unproven concept of privatization?

General REIMER. It is not a question of risking modernization on the success of privatization. Within the budget authority we have been given, we cannot afford to fund modernization at the expense of other priorities, nor can we afford lower funding levels for those other priorities. Savings found, from whatever source, will be reinvested to fund all Army priorities, including the modernization accounts.

DEPOT MAINTENANCE PRIVATIZATION

Mr. BROWDER. The Defense Department's new interpretation of core would leave depot-level maintenance of new weapons systems in the hands of the private sector, and the Department's plans to increase privatization and outsourcing of depot-level maintenance would send the workload from closing depots to the private sector. With no new work coming into the organic depot system, how do the Services plan to keep the remaining depots cost efficient and competitive?

Admiral BOORDA. First, we do not plan on sending all depot maintenance work on new systems or all workload from closing depots to the private sector. Assignment of work to the private sector will be based on DoD's approved CORE methodology which requires an assessment of private sector capabilities to accomplish those workloads that are not required to support organic industrial base capabilities. If the private sector can provide the required capability to acceptable risk, reliability, and efficiency, consistent with CORE policy, the workload should be made available to the private sector. Otherwise, if the workload is determined to be a mission-essential CORE capability in support of JCS contingency scenario(s), it should be accomplished in organic depots.

Second, our CORE capability requirements shape the minimum amount of organic facilities, equipment, and skilled personnel that we maintain as a ready and controlled source of technical competence. By sizing our remaining organic depots to CORE, we ensure that our depots will be operated in the most cost-effective and efficient manner possible.

Mr. BROWDER. Why are the Services willing to accept the readiness risk that will come with the loss of a ready and reliable source of repair to support the warfighter?

Admiral BOORDA. The Navy has sized and structured a depot maintenance program that includes both public and private sector sources of repair. We conduct a thorough analysis of depot maintenance support needs, review the risks associated with those needs, and structure our programs accordingly. The analysis conducted to determine CORE capability requirements addresses risk and industrial base capabilities, including those of the private sector. In those cases where we determine that risk management requirements demand it, organic capabilities are retained. However, it is the overall combination of public and private sector sources that provides the desired depot maintenance support program.

Mr. BROWDER. Deputy Secretary White has stated that the Services may keep the savings they achieve from privatization and use them to fund procurement. Why are the Services willing to risk modernization on the as yet unproven concept of privatization?

Admiral BOORDA. We do not regard privatization as an unproven concept. We have been relying on the private sector since our inception, not only for construction and maintenance of our weapons systems but also for the provision of a wide variety of support functions. Navy has successfully outsourced all types of commercial activities ranging in size and complexity from ship and aircraft repair to maintenance of large building complexes to child care centers and bachelor quarters. We have 50,000 workyears of commercial type work already contracted. The Commission on Roles and Missions Report (CORM) (May 1995) and a Center for Navy Analysis Study (1993) both report findings that competition for outsourcing saves money (20%-30%). Their findings are compatible with Navy's competitions of 29,000 positions using OMB Circular A-76 procedures in the 1980s which resulted in significant savings (20%-30% of original cost) with about half of the competitions resulting in conversions to contract. This outsourcing has been accomplished without any degradation of our readiness. It is critical that we free up resources for equipment modernization by dramatically reducing our support costs, and outsourcing is an excellent tool for doing just that.

Mr. BROWDER. The Defense Department's new interpretation of core would leave depot-level maintenance of new weapons systems in the hands of the private sector, and the Department's plans to increase privatization and outsourcing of depot-level maintenance would send the workload from closing depots to the private sector. With no new work coming into the organic depot, how do the Services plan to keep the remaining depots cost efficient and competitive?

General FOGLEMAN. Actually, the new depot policy states that a decision on placing new weapon systems in the private sector remains "subordinate to any core depot maintenance capability requirements." As such, the remaining organic depots will see future workload resulting from the core requirements inherent in new weapons systems. Under the proposed policy, the depots may also compete for workloads with inadequate commercial sources.

Mr. BROWDER. Why are the services willing to accept the readiness risk that will come with the loss of a ready and reliable source of repair to support the war fighter?

General FOGLEMAN. The private sector has demonstrated an ability to support some depot workloads at an affordable cost without risking readiness. The new depot maintenance policy advocates using the private sector only in those instances where savings can be achieved without risking readiness.

Mr. BROWDER. Deputy Secretary White has stated that the services may keep the savings they achieve from privatization and use them to fund procurement. Why are the services willing to risk modernization on the as yet unproven concept of privatization?

General FOGLEMAN. The services feel strongly about the need to reduce any unnecessary infrastructure to generate savings for modernization. In order to assess the potential savings achievable through privatization, our approach has been to prototype a variety of workloads at Sacramento and San Antonio. Our future privatization actions will be guided by instances in which our savings projections prove justified.

Mr. BROWDER. Why are the services willing to accept the readiness risk that will come with the loss of a ready and reliable source of repair to support the war fighter?

General KRULAK. We are not willing to put our readiness at risk, we believe such a risk is minimized by the retention of our CORE competency capabilities.

Mr. BROWDER. Deputy Secretary White has stated that the services may keep the savings they achieve from privatization and use them to fund procurement. Why are the services willing to risk modernization on the as yet unproven concept of privatization?

General KRULAK. The Marine Corps alone cannot modernize its force through the savings from privatization. However, as Secretary White has pointed out, the savings from privatization, other acquisition reform efforts, and infrastructure reduction, including BRAC closures, should "provide" enough funding within DOD's total topline to support modernization efforts.

JOINT SURVEILLANCE TARGET ATTACK RADAR SYSTEM

Mrs. FOWLER. General Reimer, at General Joulwan's request the Joint STARS system was deployed in support of our forces in Bosnia. What is the Army's perspective on how the system is supporting our forces on the ground there?

General REIMER. JSTARS is a highly capable system and the deployment in support of Operation Joint Endeavor has proven this again. The soldiers and airman of the JSTARS team have accomplished their mission well. Both the air and ground segment of the JSTARS system make a powerful team providing real time Moving Target Indicators (MTI) and Synthetic Aperture Radar (SAR) directly to the commander on the ground. The concern for minefields and the very severe terrain limit what soldiers on the ground can accomplish. While that same severe terrain challenges the capabilities of JSTARS due to radar masking, the system has been an invaluable tool in covering remote and dangerous areas in both day and night. Missions have included monitoring convoys, rail lines, refueling points, weapons collection points, known artillery/mortar sites, ferry crossings and even helicopter movement. It is important to note that some of the most successful missions are ones that show no activity. Lack of movement in an area is critical intelligence as well. One concern raised was the restrictions caused by only having two operational aircraft. This is insufficient to fully satisfy the numerous requests from the U.S., French and British units JSTARS supports.

Mrs. FOWLER. When President Clinton visited Bosnia in January, he told the troops at Tuzla Air Field that "The people around . . . know that our JSTARS aircraft are patrolling high above the clouds, tracking the smallest movements." Can you comment on the value of JSTARS in protecting our troops in Bosnia?

General REIMER. It's hard to quantify the direct impact of JSTARS on the force protection of our troops supporting Operation Joint Endeavor. There was a lot of concern over possible reaction to our initial deployment of forces into the area. As the 1st Armored Division moved into Bosnia over the Sava River, JSTARS was used extensively to monitor any movement threatening the convoys or reacting to them.

Once established in country, JSTARS provided commanders with an ability to monitor areas in severe terrain and those considered too dangerous due to landmines. This provided the commanders with an alternative to deploying soldiers in harm's way. Commanders quickly recognized the necessity of consolidating soldiers in a few secure areas and responding when necessary. JSTARS played a major role in the ability of commanders to adopt this force protection strategy. The night capability of JSTARS further enhances this value. JSTARS also successfully links to the friendly fire support system (TACFIRE) providing the capability to quickly fire on enemy forces observed by JSTARS. Fortunately, such firepower has never been required but the capability has direct impact on force protection.

Mrs. FOWLER. Admiral Boorda, the cornerstone of the Navy's Airborne Early Warning Fleet is the E-2C Group II aircraft. In fact, Navy E-2Cs have demonstrated their enormous importance to the Fleet once again with their contributions to Operation Joint Endeavor in Bosnia.

Originally, your budget called for production of four E-2Cs in FY97, but that number has now declined to two aircraft. Would additional funds for a third and fourth aircraft assist in achieving the Navy's all E-2C Group II inventory objective, as well as appreciably reduce unit cost?

Admiral BOORDA. Yes, by providing funding for two additional aircraft in FY 1997 the Navy will reach its Group II inventory objective sooner than if only two aircraft are produced. The unit cost reduction when buying four E-2C aircraft vice two aircraft is approximately \$13.2 million per aircraft.

EA-6B

Mrs. FOWLER. Admiral Boorda, the Congress continues to be concerned about the level of progress that has been achieved with regard to the Electronic Warfare capabilities of Fleet aviation—especially since the Navy has been designated to provide all support jamming, on a joint Service basis. The current EA-6B Prowler retains a 1960's vintage tactical jamming system, raising serious questions about whether it can defeat modern surface-to-air threats and help to ensure U.S. air superiority.

What is the status of the EA-6B upgrades directed by the Congress in the FY96 DoD bills? What is the total amount requested in FY97 for EA-6B upgrades? To what extent does the Navy anticipate further refinements in its plans for upgrading the EA-6B, and when will those refinements be fully determined and available for Congressional consideration? What is the timetable for completing the work on this critical EW system?

Admiral BOORDA. The first modification addressed in the FY96 Defense Authorization Act included \$100 million to modernize up to 20 older EA-6B Block 82 aircraft to the newer Block 89 configuration to offset Air Force EF-111A retirements. The Navy will go on contract by the third quarter 1996 for these modifications with the first aircraft being delivered in 1997. The second modification included \$40 million to procure 60 band 9/10 transmitters. Upon completion of operational testing, the Navy will exercise an option on an existing contract in July 1996. Finally, the third modification addressed in the Act included \$25 million for 30 USQ-113 enhanced radio countermeasures sets. The Navy has migrated prior ADVCAP ALQ-149 technology into the USQ-113 and expects to award a contract in May 1996. With regard to FY97, the Navy requested zero dollars for EA-6B upgrades. However, the Navy does plan on upgrading the EA-6B to ICAP-3 which will replace 1960's vintage receiver with current technology. A study was initiated to examine current technology capabilities and will be completed later this quarter. The Navy's goal is to have ICAP-3 operational by 2003.

Mrs. FOWLER. What is the Air Force perspective on how the system (Joint STARS) is performing in this terrain (Bosnia) and in the Peacekeeping mission?

General FOGLEMAN. Our assessment of the recently completed deployment of the Joint Surveillance Target Attack Radar System (JSTARS) to support Operation JOINT ENDEAVOR is that the personnel and equipment performed admirably. The statistics were impressive, even more so when considering that we took preproduction aircraft to support real-world operations. We flew 100 percent of the tasked operational missions, achieving an 80 percent mission-capable rate and an 86 percent time-on-station rate.

JOINT ENDEAVOR was the first deployment of the complete JSTARS to include the Ground Station Modules, allowing direct interface with ground commanders, and a near-production capable E-8C, with far more advanced processing, display and communications capabilities that the JSTARS deployed to support Desert Storm.

The rugged Bosnian terrain and dense foliage proved challenging, but not insurmountable obstacles. Through the use of terrain modeling tools, we were able to

identify the most advantageous orbit positions for different sectors of the country and modify these orbits as needed to meet the taskings of units as they arose. JSTARS also proved invaluable in the peacekeeping mission. Ground commanders were able to use high-resolution JSTARS imagery to monitor and track ground force activities, and to demonstrate to all sides that treaty violations would be both detected and responded to.

We are extremely satisfied with JSTARS performance in Bosnia and we've learned a number of valuable lessons that we will be able to exploit as we build up the 93rd Air Control Wing at Robins AFB, GA.

Mrs. FOWLER. Given that Joint STARS will likely continue to be deployed, much as AWACS, wherever the U.S. responds to contingencies, do you believe the currently planned buy of 20 aircraft will be sufficient?

General FOGLEMAN. A force of 20 Joint Surveillance Target Attack Radar System (JSTARS) aircraft will support anticipated taskings. JSTARS is another among our small fleets of high operational tempo, highly specialized aircraft, such as the Airborne Warning and Control System (AWACS), the Airborne Command, Control, and Communication (ABCCC), RIVET JOINT, U2, unmanned aerial vehicles (UAVs), and others. These systems will support two major regional conflicts through the judicious use of limited assets. We must combine the capabilities of AWACS, ABCCC, U-2s, RIVET JOINT, UAVs, and all our Theater Air Control System assets with available JSTARS aircraft to form an effective battle management/Command, Control, Communication, Computer, Intelligence, Surveillance and Reconnaissance team.

COMANCHE PROGRAM

Mr. EVERETT. The Comanche represents the future of Army aviation, especially in terms of the modern digitized battlefield. The Comanche is the "quarterback" or the eyes of the battlefield for the Army. Is Comanche's role still integral to the success of the digitized battlefield?

General REIMER. The RAH-66 Comanche is a key "Force XXI" system as it constitutes the technological core to meet digital battlefield requirements. It will self-deploy; see the battlefield (night, adverse weather) in sufficient space and time to allow ground force dominance; maintain total battlefield awareness for the ground commander; reduce fratricide; and possess a small support/maintenance footprint. Comanche connects sensors, shooters, and joint tactical commanders in the digital environment. The information based force will be supplied a system that possesses the capability to receive and transmit a three dimensional situational picture of the battlefield, connect to the joint digital architecture, and deliver precision fires throughout the width and depth of the battlefield.

Mr. EVERETT. Over the past ten years, the Comanche program has been delayed or pushed to the right at least three times. Correct me if I am wrong, but these program delays have all been budget driven; there have been no technological or programmatic problems to warrant these delays? If more funds were available for the Comanche, would the Army be able to move the initial operating capability (IOC) up to 2003, where it was before the last stretch-out?

General REIMER. It is true that the restructures and delays of the Comanche program were budget driven. Comanche has been a successful development program with no known high risk technical challenges remaining. With sufficient funding, technically this program could be restored to the fiscal year (FY) 2003 IOC. The Army has considered this option. However, due to current funding constraints and near-term operational requirements, and higher priorities the Army has chosen to continue with the FY 06 IOC program. This still provides us with an acceptable development program. Restoration of an FY 03 IOC would require the following additional funds in the future years defense program:

[Escalated in millions of dollars—fiscal year]

	1997	1998	1999	2000	2001
RDTE	199	445	370	270	50
Procurement				240	360

Mr. EVERETT. Admiral Boorda, last week you were quoted in Aerospace Daily as being interested in looking at the Army's Blackhawk helicopter to perform the Navy's vertical replenishment mission. The idea of purchasing non-developmental item sounds good to me; could you expand on this for the committee?

Wouldn't this save dollars by purchasing an existing aircraft, with only minor modifications?

What issues have to be resolved before the program can go into the procurement stage?

How quickly do you need to replace your existing fleet?

Does the FY97 Budget Request provide adequate funding for this program?

Admiral BOORDA. The recent Vertrep Cost and Operational Effectiveness Analysis (COEA) indicated that procurement of an airframe common to the Navy's current inventory of H-60's, such as the CH-60, could result in life-cycle savings of over \$600 million in manpower and force structure.

The only issue to resolve is obtaining sole source authority to purchase the CH-60 so that a contract can be written between the Navy and Sikorsky Aircraft Corporation to build a CH-60 Engineering Change Proposal (ECP) modification package to be used for procurement against the Army Multi-Year V contract. This is the same method the USAF used to purchase their H-60's for subsequent modification to the MM/HH-60G.

The Navy is currently short of inventory requirements by 19 aircraft (a problem that will only worsen). Remaining Service Life is being depleted rapidly, and CH-46 aircraft are becoming logistically difficult to support.

There is currently no funding for this program in FY97. There is funding beginning in FY98 to commence initial replacement for the CH-46D.

PERSONNEL ISSUES

Mr. WATTS. General Reimer, I'd like to thank you for being here today. It has been my pleasure to work with you and be a personal witness to your courage and leadership.

I would like to focus on the Army's continuing drawdown of personnel. I, along with many of my colleagues, are concerned that the Army maintain a sufficient number of personnel to fight and win the battles that lie ahead. Others too are interested in the plight of the Army's manpower levels. I believe this week's Army Times cover story deals with this very issue. The article in that newspaper discusses some of the logical outcomes of a downsized force; namely stress and anxiety.

But, I want to take a moment to discuss reduced capability that may naturally come from a downsized force structure. I'm not certain we will be able to answer the call if the Army continues its reductions to a level of 475,000 soldiers.

What is the appropriate end strength for you to meet mission requirements? Is 475,000 sufficient? Is the 475,000 figure being driven by budget constraints or requirements?

General REIMER. Active Army end strength of 495,000 represents the minimum level for a force of 10 active component (AC) divisions to be able to execute the National Military Strategy (NMS) at an acceptable level of risk. Our rigorous Total Army Analysis process validated the capability, and attendant risks, of the 495,000 AC force to execute two Major Regional Contingencies as required by the NMS. To my knowledge, the warfighting and sustainment capabilities of a 475,000 AC force have never been modeled or analyzed in any way. Reduction below 495,000 may be possible in the outyears. Ongoing initiatives, such as institutional Army re-engineering and heavy division redesign, may allow end strength to be reduced below 495,000 in the outyears; however, those initiatives have not yet been completed and fully analyzed. Consequently, we are not prepared to make that assumption and believe that reductions below 495,000 would have unavoidable readiness implications. In fact, below 495,000 the ability of the AC to execute the NMS becomes problematic, particularly given our current operational deployments. At lower levels, the Army would, depending upon the circumstances, require more time and resources to win the conflict. The cost to the nation would almost certainly be higher. For that reason, we feel that 495,000 is the right AC end strength to execute the NMS.

END STRENGTH

Mr. WATTS. Is the Army being stressed by current requirements?

General REIMER. Since the end of the Cold War, the Army has experienced a 300 percent increase in the number of soldiers deployed away from home station. The average length of time the soldier in a tactical unit is deployed away from home, either in training or contributing to a contingency operation, has increased significantly. For example, in fiscal year 1995, the Active Army routinely had over 21,000 soldiers deployed to over 60 countries on any given day. Factoring in the deployment of soldiers to Bosnia, this daily average has now increased to about 40,000. While we are able to meet current operational requirements, any increase in missions or decrease in the Army's end strength would exacerbate this already high personnel

tempo, degrading readiness, and, with it, our warfighting capability. Furthermore, in the long run we could lose our experienced soldiers, noncommissioned officers, and officers due to the stress of these deployments.

MODERNIZATION PROGRAM

Mr. WATTS. What level of procurement do you feel is necessary to sustain an adequate modernization program?

General REIMER. The Army has significant shortfalls in Research Development Acquisition (RDA) accounts due to chronic underfunding in the past. The Army requires \$14 to \$16 billion annually in its modernization accounts in the Future Years Defense Program to fund them at a level commensurate with other Army programs. Funding for full recapitalization would require annual resources in the \$15 to \$20 billion range. We are only funded for approximately \$11 billion in FY 97.

ADDITIONAL FUNDS

Mr. WATTS. If you were given more funds, what would you spend them on?

General REIMER. Should we receive additional funds, we would spend them on modernization, infrastructure revitalization, and near-term readiness. A full explanation of where we would spend the additional funds has been provided separately to the committee at the request of the Chairman.

JAVELIN

Mr. THORNBERRY. I understand that the Marine Corps is funding the Javelin missile for the first time in FY97. Please describe the benefits of this weapon system to the Marine Corps, the reasons the Marine Corps has requested funding, and the level of funding for FY97 and future years?

Finally, if more money were available, would you accelerate funding for the Javelin missile?

General KRULAK. The benefits of the Javelin, formally the AAWS-M, include an increased range (2000m), increased lethality against all current and future armored threats (to include explosive reactive armor and active protection), increased probability of hit and kill, and increased gunner survivability due to the use of "fire-and-forget" technology and the Javelin's low launch signature. Its soft launch capability allows the Javelin to be fired from enclosures which will enhance Military Operations in Urban Terrain (MOUT). The reusable command launch unit (CLU) will provide the infantry battalion with a state-of-the-art, thermal sight/observation device.

The reason the Marine Corps has requested funding is that the Javelin provides the Marine Corps with a lethal medium antiarmor weapon system which will replace the aging Dragon system. The Dragon system is only marginally effective against older main battle tanks, and is not capable of destroying modern or future tanks.

The procurement funding profile for the Javelin is as follows:

[In millions of dollars]

Fiscal year 97	28.2
Fiscal year 98	77.3
Fiscal year 99	119.2
Fiscal year 00	114.1
Fiscal year 01	100.7

If more funding were made available the Marine Corps would accelerate procurement of this important capability.

Mr. CHAMBLISS. I feel compelled to follow up on some of the questions raised by my colleagues on the issue of Privatization. For the record, I would like to echo the sentiments of many here on this Committee who believe that privatization must be considered in the spirit of efficiency and savings. However, I would argue privatization of our organic maintenance capability, even where it is shown to achieve marginal savings, is not in the interests of our national security. There are simply too many risks and challenges to the readiness of our force. In a time when this administration is asking our brave men and women to do more with less, we must not compromise the quality and availability of the weapons and systems for our warfighters.

General Krulak, as Commandant of the Marine Corps, this nation's "911" force, you have indicated that the readiness of your force is priority one. At the present time, it is estimated that as a percentage of maintenance workload, the Marine

Corps performs 85-90 percent of that work organically, or in house. Is it your opinion as Commandant that this mix is appropriate and, therefore, critical to your present state of maximum readiness?

General KRULAK. Historically, the amount of Marine Corps work performed in our Multi-Commodity Maintenance Centers has been approximately 85%. This percentage can vary for a number of reasons; funding, operational commitments, support requirement priorities, interservicing, and contracting out to the private sector. At issue however, is not the percent of workload retained in house, but rather, the capability required as CORE competencies. It is the retention of CORE capabilities in our organic depots that will minimize risk to readiness. As such, we will review our CORE capability to ensure we remain prepared as our nation's force of choice.

Mr. CHAMBLISS. I understand that recently Undersecretary of Defense White sent a "carrot-on-stick" memo to each of the Service Secretaries which, in effect, tells ya'll that any savings achieved as a result of privatization in your respective service would be available to you for modernization or any other purpose you deem critical.

General Krulak, given your outspoken feelings about the importance of your organic maintenance capability, are you of the opinion that your organic maintenance dollars are currently best-spent in providing reliable, ready systems and weapons for your Marine Corps personnel?

General KRULAK. We believe our FY96 dollars are being well spent. We continually analyze those factors that impact our ability to maintain CORE capability at the lowest cost and adjust accordingly.

60/40

Mr. JONES. General Krulak, what do you believe the impact of depot privatization will have on the readiness of the Marine Corps? How do you feel about the pentagon's draft plan to remit all savings associated with depot privatization back to each of the services?

General KRULAK. The impact on readiness is minimal as long as we retain CORE competency capabilities. The retention of CORE enables us to remain prepared as our nation's force of choice. Wherever we identify opportunity for savings through privatization it must be tempered with caution that savings will occur slowly and may not always be measured in terms of dollars. I applaud the initiative to pass along privatization saving to the services.

Mr. JONES. General Krulak, I know that the Marine Corps KC-130 aircraft are an integral part of Marine Air Ground Task Force operations. I also know that the majority of these work horses in the active forces are nearly 40 years old. What do you envision to be the most cost effective way for the replacement of this aircraft for the Marine Corps?

General KRULAK. The KC-130 has been a valued workhorse for the Marine Corps since we accepted our first KC-130F in March, 1960.

Our active duty KC-130F and KC-130R aircraft average 34 and 19 years of age, respectively. In fact, the KC-130Fs are the oldest aircraft in the Marine Corps inventory. It is critical that we address the replacement issue in the near term.

Fortunately, the new KC-130J has already been developed for the USAF and meets our refueling requirements. With its increase in speed and range, its new "glass" cockpit and night vision enhancements, and its improved air refueling system, this aircraft will provide the Marine Corps with a modern air to air refueler and tactical transport aircraft well into the 21st century. The acquisition objective for the KC-130J is 51 aircraft to replace the KC-130F and KC-130R. A cost effective approach to this initiative would be to procure 4 KC-130J's per year at an annual cost of approximately \$196M.

Mr. JONES. General Krulak, the committee notes that the DoD budget requests procurement of 10 remanufactured Harriers this year. Could you briefly summarize this program and tell me if the procurement of 10 aircraft provides for efficient rates?

General KRULAK. The remanufacture of Day Attack Harriers to the Night Attack/Radar configuration is a viable and cost effective alternative to new aircraft procurement. Remanufacture significantly increases the combat effectiveness of the AV-8B as a multi-mission platform, while necking down from three to two configurations currently in the fleet. The remanufacture of day attack will reduce attrition, enhance survivability, increase combat capability, standardize configuration and extend service life. The remanufacture will incorporate a new fuselage, radar/avionics, and a Rolls Royce-408 engine. The recent cost analysis conducted by the Cost Analysis Improvement Group (CAIG) price the cost of remanufacture at 77% of the cost of a new production aircraft.

A \$56M funding enhancement will support an additional two AV-8B Remanufactured aircraft (total of 12) to ramp to a more efficient production rate. Additionally, with a three or a four year multi-year contract in place, another 5-7% savings in recurring flyaway costs would occur.

AN/ALQ-165 PERFORMANCE IN BOSNIA THEATER

Mr. JEFFERSON. The DoN requested and was granted permission to deploy the ALQ-165 (ASPJ) in Bosnia. It is our understanding that the in-country commanders made this request because the present F-18C/D system does not provide protection against the threat(s) of interest. How has the system been performing in theater?

Admiral BOORDA. Performance of the system deployed on F/A-18C/Ds is reported as good. Reliability is three times the OPEVAL requirement.

F-14D TESTING

Mr. JEFFERSON. The DoN has been in formal testing of the ALQ-165 (ASPJ) in the F-14D for the past several months. Based on the positive testing results to date, the DoN has issued contracts for the aircraft racks (Smith's Industries) and aircraft modifications (Northrop Grumman). When do you anticipate these tests to be completed, and if successful, what are your deployment plans?

Admiral BOORDA. F-14D testing with AN/ALQ-165 should be completed by the end of April. The first twelve F-14Ds with ASPJ installed will deploy in May aboard the USS Carl Vinson.

COMMONALITY OF BOSNIAN THREAT OF INTEREST

Mr. JEFFERSON. It is our understanding that the threat in Bosnia that resulted in the in-country commander requesting the ALQ-165 (ASPJ) is a threat system type that is operational in many, if not all of the countries that you have developed contingencies for. Is this an accurate assessment?

Admiral BOORDA. The ALQ-165 (ASPJ) responds/counters that threat and is used in conjunction with the other active/passive systems and tactics to defeat this threat.

AN/ALQ-165 INTEGRATION INTO FINLAND AND SWITZERLAND F/A-18C/B AIRCRAFT

Mr. JEFFERSON. International countries have a high opinion of the ALQ-165 (ASPJ). In spite of the U.S. decision to terminate the program, countries like Finland and Switzerland have contracted for the ALQ-165 to protect their F-18C/D. We further understand that several other countries are inquiring to have ASPJ for their F-18C/D platforms and the Republic of South Korea is in the final stages of negotiation to install the ALQ-165 into its F-16C/D platforms. Please advise us of the FMS integration status of the ALQ-165 into Switzerland and Finland F-18C/D aircraft.

Admiral BOORDA. Integration of the AN/ALQ-165 with the weapons systems of the F-18C/D for Finland and Switzerland is progressing well. Integration with the final release of the aircraft mission computer load and flight testing is scheduled to be completed in the fourth quarter 1997.

POSSIBLE AN/ALQ-165 DEPLOYMENT PLAN

Mr. JEFFERSON. We are committed to providing our fighting force with the best equipment to insure survivability. Based on performance to date, it is our understanding that for the type/location of conflicts that the DoN must be prepared for requires a system, for the F-18C/D, with the capabilities of the ALQ-165 (ASPJ). Since the production line has been restarted for the international countries, now may be the time for the U.S. to economically obtain additional ALQ-165 systems. If additional ALQ-165 systems were provided, please provide us with a Navy carrier and Marine forward deployment ALQ-165 installation and deployment plan.

Admiral BOORDA. We currently are outfitting two F/A-18C/D squadrons with ASPJ in the Bosnian Theater with a portion of our previously procured systems. The remainder of our on-hand systems will outfit our F-14D aircraft. Seventy-two systems would outfit an additional six deployed F/A-18C/D squadrons. Along with the F-14Ds, this would approximate the number of squadrons deployed during normal fleet operations.

Mr. JEFFERSON. The DoN requested and was granted permission to deploy the ALQ-165 (ASPJ) in Bosnia. It is our understanding that the in-country commanders made this request because present F-18C/D system does not provide protection against the threat(s) of interest. How has the system been performing in theater?

General KRULAK. Sir, your information is correct. The performance of the ASPJ deployed on F/A-18C/D's is very good. Although the ASPJ, has not completed progression through the normal research and development pipeline, it provides significant and measurable improvements over the ALQ-126B. It did complete an abbreviated evaluation prior to its deployment to Bosnia and all deficiencies were satisfactory resolved. The Marines in Aviano are able to conduct every assigned mission with enhanced survivability against projected threats. Reliability of the ASPJ has been three times the OPEVAL requirement.

Mr. JEFFERSON. The DoN has been in formal testing of the ALQ-165 (ASPJ) in the F-14D for the past several months. Based on the positive testing results to date, the DoN has issued contracts for the aircraft racks (Smith Industries) and aircraft modifications (Northrop Grumman). When do you anticipate these tests to be completed and, if successful, what are your deployment plans?

General KRULAK. Sir, since we do not operate the F-14 aircraft, I have referred this question to the Navy. It is my understanding, however, that the F-14D testing with the ALQ-165 (ASPJ) should be completed by the end of April 1996. The first twelve F-14D's with ASPJ installed are scheduled to deploy in May 1996 aboard the USS Carl Vinson.

Mr. JEFFERSON. It is our understanding that the threat in Bosnia that resulted in the in-country commander requesting the ALQ-165 (ASPJ) is a threat system type that is operational in many, if not all of the countries that you have developed contingencies for. Is this an accurate assessment?

General KRULAK. Yes, sir.

Mr. JEFFERSON. International countries have a high opinion of the ALQ-165 (ASPJ). In spite of the U.S. decision to terminate the program, countries like Finland and Switzerland have contracted for the ALQ-165 to protect their F-18C/D. We further understand that several other countries are inquiring to have ASPJ for their F-18C/D platforms and the Republic of South Korea is in the final stages of negotiation to install the ALQ-165 into its F-16C/D platforms. Please advise us of the FMS integration status of the ALQ-165 into Switzerland and Finland F-18C/D aircraft.

General KRULAK. Sir, it does not come under my direct preview, however, it is my understanding that the integration of the ASPJ with the weapons systems of the F-18C/D for Finland and Switzerland is progressing well. Full integration with the final release of the aircraft mission computer load and flight testing is scheduled to be completed in the 4th quarter 1997. I have referred this question to the Navy for further elaboration.

Mr. JEFFERSON. We are committed to providing our fighting force with the best equipment to insure their survivability. Based on performance to date, it is our understanding that for the type/location of conflicts that the DoN must be prepared for requires a system, for the F-18C/D, with the capabilities of the ALQ-165 (ASPJ). Since production line has been restarted for the international countries, now may be the time for the U.S. to economically obtain additional ALQ-165 Systems. If additional ALQ-165 systems were provided, please provide us with a Navy carrier and Marine forward deployment ALQ-165 installation and deployment plan.

General KRULAK. Sir, with \$200 Million in FY97, approximately one hundred forty-four systems could be procured for installation in Marine Corps F/A-18C/Ds with spares and upgrades to the ILS system to support the increased installation quantities. This would allow outfitting 12 F/A-18C/D squadrons. Outfitting only peacetime forward deployed squadrons will not provide enough assets to ensure warfighting capability.

FISCAL YEAR 1997 NATIONAL DEFENSE AUTHORIZATION ACT—JOINT REQUIREMENTS OVERSIGHT COUNCIL (JROC)

HOUSE OF REPRESENTATIVES,
COMMITTEE ON NATIONAL SECURITY,
Washington, DC, Wednesday, March 27, 1996.

The committee met, pursuant to notice, at 1:07 p.m., in room 2118, Rayburn House Office Building, Hon. Floyd D. Spence (chairman of the committee) presiding.

OPENING STATEMENT OF HON. FLOYD D. SPENCE, A REPRESENTATIVE FROM SOUTH CAROLINA, CHAIRMAN, COMMITTEE ON NATIONAL SECURITY

The CHAIRMAN. The committee will please be in order.

I want to welcome General Ralston and the four service Vice Chiefs this afternoon. Let me also congratulate General Ralston on his recent appointment as Vice Chairman and thank him for his willingness to assume the hot seat so soon after coming on board.

We really are pleased to have you with us, gentlemen. We understand who you are and what you do and where you come from. And it is a real pleasure to have you with us.

I want to also welcome the Joint Requirements Oversight Council, or JROC, to its inaugural hearing before the Congress. This year marks the 10th anniversary of the enactment of the landmark Goldwater-Nichols DOD Reorganization Act. It is only fitting that this year also marks the fulfillment of the legislation's objective to empower the Chairman of the Joint Chiefs to provide clear and concise advice to the Secretary of Defense on critical resource allocation questions. To accomplish this goal, the JROC has been transformed into the Chairman's instrument to mold competing service priorities into a joint military perspective on issues central to the annual defense budget debate.

This development, of course, has not occurred without some measure of controversy—controversy within the Pentagon as the JROC makes judgments and recommendations that can run counter to individual service priorities, and controversy on Capitol Hill as recommendations made by the JROC do not conform with the administration's budget priorities in all respects.

While this situation may make some people uncomfortable, to me this discomfort means that the JROC is doing its job, providing useful military advice to the civilian leadership it is entrusted to serve. For that reason, I considered it critical for the committee to have an opportunity to learn about the new role of the JROC and, more importantly, to understand the rationale underlying its recommendations.

Of direct relevance to the current defense debate is the recommendation contained in the Chairman's program assessment to begin addressing the modernization shortfall by increasing procurement budgets to \$60 billion per year by fiscal year 1998. That is more than \$20 billion above the administration's pending request for the procurement accounts in fiscal year 1997.

I find it ironic that this recommendation became public last fall at the same time that the President was threatening to veto the defense bill because they added money to the administration's request, most of it for procurement.

As we discovered when the fiscal year 1997 budget was presented earlier this month, the administration has rejected the JROC recommendation and instead has proposed to cut procurement spending. Meanwhile, the recommended \$60 billion in annual procurement spending will not be reached under the administration's plan until after the turn of the century on somebody else's watch.

These figures by themselves are largely meaningless without a better understanding of the analytical context from which they emerge. Therefore, it is my hope that today's hearing will shed some light on the two critical questions of this debate: Why \$60 billion? And why by fiscal year 1998?

Three weeks ago, General Shalikashvili testified before this committee that if we don't commit ourselves to a \$60 billion procurement target, we will never meet it. I agree. But that commitment should be more than just a paper one at the tail end of a 5-year budget plan. It requires addressing the modernization problem here and now, as Congress did last year and this committee will once again attempt in the months ahead.

I look forward to our discussions today in the hope that it will help all of us to better understand the importance of these critical questions.

Before I recognize the witnesses, I would first like to recognize my friend, Mr. Montgomery, who is filling in for our ranking Democrat, Mr. Dellums, for any comments he might like to make. Mr. Montgomery.

Mr. MONTGOMERY. Thank you, Mr. Chairman.

Mr. Dellums is coming back from California, having voted out there yesterday, and I join you, Mr. Chairman, in welcoming our distinguished witnesses to this hearing.

This is the first occasion for this committee to receive firsthand information on how the Chairman of JCS is working to put in place a process that will help us get the best defense for the resources available. The input of our witnesses will help us to understand the requirement. While understanding the process is important to us, we also are interested in the results of your efforts so far. So I look forward to your testimony.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Montgomery.

First of all, I want to apologize for the lack of attendance. We don't have any votes until later on this afternoon, and other schedules have pre-empted many of the people from coming this afternoon. But we have the real hard-working members here that would be pleased to hear from you. The Chair understands that General

Ralston plans to make the formal presentation on behalf of the group and that Vice Chiefs will participate in the question and answer period to follow.

Without objection, any prepared remarks you have will be submitted for the record, and you can proceed as you would like. General Ralston, the floor is yours.

STATEMENT OF GEN. JOSEPH W. RALSTON, USAF, VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF; AND CHAIRMAN, JOINT REQUIREMENTS OVERSIGHT COUNCIL, ACCOMPANIED BY GEN. RONALD H. GRIFFITH, VICE CHIEF OF STAFF OF THE ARMY; ADM. JAY J. JOHNSON, VICE CHIEF OF NAVAL OPERATIONS; GEN. RICHARD D. HEARNEY, ASSISTANT COMMANDANT OF THE MARINE CORPS; AND GEN. THOMAS S. MOORMAN, JR., VICE CHIEF OF STAFF OF THE AIR FORCE

General RALSTON. Thank you, Mr. Chairman, for inviting the Vice Chiefs and me to be with you today. I would first like to say that the JROC is a remarkable success story in large part because of the strong leadership that each member of this committee has provided, both in resolve and in personal dedication to the national security.

As you mentioned, the Goldwater-Nichols Act of 1986, a decade ago, was a clear catalyst for us in the military to begin the process to what we have today with respect to jointness and a joint consideration of military requirements.

I have followed this process from the beginning. The concept of the Joint Requirements Oversight Council was first identified in 1983 by the Defense Science Board. The Board saw a clear need to form a body which had the responsibility to oversee the management of joint requirements.

In response, the Joint Chiefs formed the Joint Requirements and Management Board in March 1984 to monitor and advise the Joint Chiefs on the development and acquisition of large dollar defense items. They designed the Vice Chiefs of the military services and the Director of the Joint Staff as Board members, with the chairmanship rotating among the four Vice Chiefs.

As the process grew within the Department of Defense, more detailed guidelines were laid out in a 1986 directive, describing a more rigorous process for acquiring defense equipment and calling for formal judgments by the Joint Chiefs on the validity of major military requirements before they entered the full acquisition process.

Today's JROC owes much to the Goldwater-Nichols Act in two particular respects: First, it directed the Chairman of the Joint Chiefs to advise the Secretary of Defense on joint military requirements; and, second, it created the position of the Vice Chairman of the Joint Chiefs, who has since been delegated the chairmanship of the JROC.

General Herres was the first Vice Chairman and the initial Chairman of the JROC. Admiral Jeremiah, the second Vice Chairman, raised the prominence of a joint perspective in setting military requirements. He sponsored new efforts to identify what the military would require in the next century, and through his strong

leadership, he showed that the JROC could harmonize service requirements and maintain our Nation's lead in military technology as the defense budget declines.

Admiral Owens, the third Vice Chairman, made several contributions to influence the significance of the JROC. He increased the amount of time the JROC spent in session, had the JROC deliberations much closer to the needs and perspective of the unified commanders in chief, and established a stronger, analytical foundation for JROC discussions. Most importantly, he increased the JROC's contribution to the Chairman of the Joint Chiefs as the Chairman formulated his advice on programming defense resources.

The latest codification of the JROC was the 1996 Defense Authorization Act, signed into law in February of this year. The act was significant to us in the military because it formally established the Chairman of the Joint Chiefs of Staff as the Chairman of the JROC, and he in turn was given the authority to delegate that position to the Vice Chairman of the Joint Chiefs if he so desired. The act went further in assisting the Chairman to identify and assess joint requirements by directing him to consider joint alternatives to defense acquisition programs proposed by the individual military services or defense agency. This helps the Secretary of Defense assign resources within the levels he sets in his defense planning guidance. And, of course, it moves the Chairman more directly into the mainstream of Defense Department programming.

Two of the most important outputs of the JROC process contribute to the Chairman's duties in identifying and assessing requirements. The first is the Chairman's program recommendation, or CPR, that is submitted to the Secretary of Defense each year. And the second is the Chairman's program assessment, or CPA, submitted after the service and defense agencies have forwarded their programs to the Secretary of Defense.

It is within the context of this military advice that the Chairman and the Secretary of Defense have addressed the military's recapitalization requirement. As indicated in the earlier testimony, the goal of approximately \$60 billion per year in procurement would better balance the defense program across readiness, force structure, recapitalization, and infrastructure. This implies a major resource shift that will take time to implement.

We support the Secretary's commitment to increase procurement spending toward this goal as soon as possible.

Mr. Chairman, I have brought with me a few charts that I would like to share with the committee, and they will show the process as a whole and help to explain the JROC role throughout that process.

Mr. Chairman, I believe you and the members have a hard copy of this briefing in front of you that you may want to follow as we go through.

I would like to talk to you about four aspects of the JROC, and as you see them listed on this chart, one has to do with the acquisition processes, one has to do with the defense programming of resources, another has to do with the interface with our unified commanders in chief in our services, and, finally, I will end up on the joint warfighting capability assessments.

First of all, on the acquisition processes—and I am not trying to make everyone here experts on this process today, but I will try to simplify it for you. We have four major aspects that the JROC interfaces in the acquisition process. First of all is mission needs statement. A mission needs statement is a fairly short document, about five pages long; it is written in broad operational terms, and the services usually write these. They will come forward to the JROC for validation. A recent example is one that said we see an operational need for a power projection platform sometime in the next century. We are not saying how long it should be, how big it should be, but this is the forerunner probably of the next generation of carrier. But right now it is stated in broad operational terms. The JROC just validated that mission needs statement within the past couple of weeks.

Key performance parameters: For any system that we may be interested in fielding, there are certain performance parameters that really drive the design of the weapons system. Let's take a generic tank, for example. You might say that that tank needs to be able to go 300 kilometers on a tank of gas. That is the type of thing that would be determined as a key performance parameter so that the acquisition community can design their system around those parameters.

An operational requirements document is a more detailed version of all the operational requirements that you might have, fleshed out in pretty good detail, comes back to the JROC, the JROC validates that, and that is given to the acquisition community as their guiding light, if you will, to field a weapons system.

Finally, the Defense Acquisition Board is co-chaired by the Vice Chairman of the Joint Chiefs and by the Under Secretary of Defense for Acquisition. And that is an important part of that board that makes all the acquisition decisions for the Department of Defense, is that the Vice Chairman can represent the users, the warfighters on that board and to make sure that the requirements are, in fact, satisfied.

In addition to the acquisition processes that we have talked about, the JROC is heavily involved in the defense programming business. For example, we have planning guidance, the service and agency programs; I will talk about recapitalization and then balance.

Next slide. First of all, the defense planning guidance is a document that links the national military strategy to the defense program. This is put out annually to all the defense agencies and to the services by the Secretary of Defense and is the overarching planning guidance that the Department has. And the JROC plays a major role with input into that through the Chairman's program recommendations.

That planning guidance provide fiscal targets. It tells the services how much they can expect for their top line, and they work their priorities within that number. And it directs certain priorities to the services and agencies.

The Program Objective Memorandum, or POM, as it may be referred to, is the service's budget as it is formulating it. The service then, given their top line from the defense guidance, portrays all of their needs in a prioritized fashion. It says, OK, given this

amount of money, this is what we as a service think are our highest priority items. That POM is briefed to the JROC. All the service POM's are briefed to the JROC, and the JROC then kind of grades that POM, if you will, to see that it supports the things that the Chairman said needed to be supported in his program recommendation. And then if the services didn't support that, the JROC could then go back to the Chairman and make a recommendation for an alternate budget. And that provides the baseline for our joint assessments that I will talk more about later.

I would like to spend a moment on recapitalization. There are really three parts of recapitalization, and the first is replacement. Replacement is the replacement of a truck—if you have wrecked a truck or if you have crashed an airplane, you replace that with a like item.

Modernization, on the other hand, is bringing a new system on board that usually would have greater capabilities, would be upgraded with the latest technology.

And, finally, commonality. Many times we will try to bring on new equipment that is common across all the services that would give us a lower operating cost, that would allow us to save dollars through that means.

Many times these three are lumped together under a title of modernization, and when we talk modernization, I believe we are more accurately talking about a combination of all three of these.

To give you something with real equipment on it, if you replaced an F-18 with a C or D, that would be a replacement. Modernization would be an F-18E and F, which has greater capability that comes on board. And commonality might be the joint strike fighter, where we are looking for all three of the services to come together around a system that would meet our needs.

Next, balance and proportion. The JROC has tried to seek a balance among these four items that you see here. First of all, you have got to have the right force structure in order to do the national military strategy. Given that you have got that force structure, you need to make sure you have got enough funds for readiness, that it is, in fact, ready to be employed. Modernization that we have just talked about is an important aspect of the future readiness, and, of course, you have got to have the infrastructure to support that.

Next I would like to talk about the joint integration aspects of the JROC. We deal very closely with the services, and the primary interface with the service, as you see here today, each of the service Vice Chiefs is a member of the JROC. They bring that service perspective to every meeting that we have. We also go to the unified commanders in chief. They put together what is called an integrated priority list. If we go to the Pacific, to PACCOM, CINCPAC has a list of items from 1 through X that he needs the services to support him on. And we go twice a year to the CINC's, to each one of them, to make sure that we have got a good dialog and that we understand what their requirements are and what their priorities are.

We work joint concepts of operations. An example of this is when we went through a pretty tough decision not long ago in our tactical jamming world where we had EA-6B's and EF-111's. And in

order to save some dollars, the EF-111, the decision was made to retire the EF-111 rather than upgrade that. But that required a new concept of operations whereby we could use the Navy and Marines EA-6B's to support Air Force land operations. That is an example of a joint concept of operations that the JROC worked on.

Joint readiness: The services are responsible for their individual service readiness piece to make sure their battalions are ready to go or their squadrons are ready to go or their ships are ready to go. But there is more to readiness than that. The commanders in chiefs, the joint force commanders, have to make sure that they have the command and control mechanisms, that they have the proper staffs, that they have all of the enablers that we talk about to allow them to successfully conduct an operation. And this is one of the things the JROC pays great attention to when we go and talk to the CINC's: Do we, in fact, have all those enablers that the unified CINC's need to do their job?

Last, I would like to talk to you about the joint warfighting capability assessments, or JWCA's, as they are called. This is a program that we think gets a lot of joint leverage. These JWCA teams—we have a lot of issues, and we assign each of these issues to a team. That team is composed of people from the joint staff, from each of the services, from the offices of the Secretary of Defense, whoever can bring expertise to that particular area.

The Chairman's program recommendation, I mentioned that in my remarks a moment ago. But the Chairman's program recommendation is his advice to the Secretary of Defense. It comes not only from what the JROC might recommend, but it is discussed with the CINC's and with the other chiefs. He has to balance priorities among the commanders in chief. We have nine unified CINC's out there, and as you might imagine, they are all pretty focused on their area of responsibility. When you are in a constrained environment, someone has to make tough choices, and there is where the Chairman of the Joint Chiefs steps in and does that. He also makes sure that we have got the right warfighting capabilities to carry out our national strategy, and he looks at that balance I talked about a moment ago between readiness, force structure, modernization, and infrastructure.

After the services submit their programs, then the Chairman does his program assessment. Again, this is his personal advice to the Secretary of Defense on how well did the services and the defense agencies support the recommendations that he had made in the CPR and the warfighting CINC's. He provides alternative budget proposals, and that is out of the legislation that the committee provided us with that directly tasked the Chairman to provide alternative programs other than what the services have done, and that fulfills his responsibility under the Goldwater-Nichols Act.

Next slide. Finally, here is a chart to try to show that this is a continuous process. You can enter this at any time during the year. It is always ongoing. We always have the acquisition processes ongoing. The defense programming follows somewhat of a calendar cycle because it needs to match up with our fiscal years, but the planning guidance comes out—came out last week, as a matter of fact. Then the services and agencies will submit their POM's later in May. We will review that during June and July, get out to the

CINC's in the July time period, and then we will report back to the Chairman of the Joint Chiefs in the August time period, and then he will provide his assessment probably in the September time period to the Secretary of Defense on his assessment of the service programs.

Over here, this is a continuous operation when we stay in touch with the CINC's to make sure that we adequately represent their views in the Washington arena. And, finally, these joint warfighting capability assessments are ongoing all the time. This is the engine, if you will, that supplies the rest of the JROC with the information that the JROC needs to make decisions.

Next slide. Mr. Chairman, that is all that I have in the way of opening remarks. I have tried to capture it here on this slide of where we are, and I certainly welcome your questions or any of the committee's questions.

[The prepared statement of General Ralston follows:]

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HOUSE COMMITTEE ON NATIONAL SECURITY

STATEMENT OF
GENERAL JOSEPH W. RALSTON, USAF
CHAIRMAN, JOINT REQUIREMENTS OVERSIGHT COUNCIL

BEFORE THE
HOUSE COMMITTEE ON NATIONAL SECURITY
MARCH 27, 1996

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INTRODUCTION

Good afternoon, Mr. Chairman, and members of the committee. Thank you for this opportunity to testify before your committee concerning the Joint Requirements Oversight Council (JROC) and the role it plays in shaping military requirements within the Department of Defense. Born at the height of the U.S. -- Soviet confrontation in the mid-1980s to help judge the validity of Cold War military needs, the JROC has evolved and expanded its scope over the past two years, to a point that it now plays an important role in supporting the Chairman of the Joint Chiefs of Staff's military advice related to defense planning, programming, and budgeting. These remarks will provide some background on the JROC itself, and address its corresponding focus and processes.

The Goldwater-Nichols Defense Reorganization Act of 1986 directed the Chairman of the Joint Chiefs of Staff (CJCS) to advise the Secretary of Defense (SECDEF) on the priorities of military requirements. It also made the CJCS responsible for assessing the extent to which the program recommendations and budget proposals of the military departments and other components of the Department of Defense conform with the priorities established in strategic plans and the priorities of the Combatant Commanders in Chief (CINCs). Furthermore, it directed the CJCS to submit to the SECDEF alternative program recommendations and budget proposals within projected resource levels and guidance provided by the SECDEF, in order to achieve

greater conformance with these priorities. Likewise, Goldwater - Nichols created the position of Vice Chairman to support the CJCS in undertaking these responsibilities.

In 1994, General Shalikashvili directed the Vice Chairman to expand the charter of the Joint Requirements Oversight Council (JROC) to more fully support him in addressing these statutory responsibilities. The JROC correspondingly established its attendant Joint Warfighting Capability Assessment (JWCA) process, including greatly increased involvement by the CINCs and Joint Chiefs of Staff (JCS). We believe that this process, now concluding its second year, has been successful in supporting the CJCS's military advice to the SECDEF. We appreciate this committee's efforts in codifying, effective January 31, 1997, the JROC's important mission in the 1996 Defense Authorization Act. This act is significant to us in the military because it formally establishes the Chairman of the Joint Chiefs of Staff as the Chairman of the JROC, and in-turn gave him the authority to delegate that position to the Vice Chairman of the Joint Chiefs (VCJCS) if he so desires. It also specifies the composition of the JROC to include, as appropriate, a full General or Admiral from each Service. The JROC is currently composed of the VCJCS, the Army and Air Force Vice Chiefs of Staff, the Vice Chief of Naval Operations, and the Assistant Commandant of the Marine Corps. The act itself went further to codify the JROC's

assistance to the CJCS in identifying and assessing requirements, as well as considering alternatives to acquisition programs. Taken together, these initiatives have formalized the role of the JROC with respect to military requirements and the defense program.

JROC FOCUS

Chaired by the VCJCS, the JROC assists the CJCS by:

- (1) identifying and assessing the priority of joint military requirements including existing systems and equipment to meet the national military strategy.
- (2) considering alternatives to any acquisition program that has been identified to meet military requirements by evaluating the cost, schedule, and performance criteria of the program and of identified alternatives.
- (3) assigning joint priority among existing and future programs meeting valid requirements, and ensuring that the assignment of such priorities conforms to resource levels projected by the SECDEF through defense planning guidance.
- (4) Overseeing the Joint Warfighting Capabilities Assessment process and reviewing all JWCA findings and recommendations.
- (5) Ensuring emphasis is placed on the needs and deficiencies of the CINCs, while ensuring interoperability, reducing

parallel and duplicate development efforts, and promoting economies of scale where applicable.

The JROC today operates in a challenging environment for several reasons. First, our forces are facing the combination of increased personnel tempo (PERSTEMPO) and readiness requirements for operations that span the spectrum from 2 nearly-simultaneous major regional conflicts (MRCs) to regional engagement. Second, we are addressing the recapitalization of our Bottom-up Review (BUR) Force capability. Third, the JROC is incorporating insights from the revolution in technology, particularly as it relates to our joint Intelligence, Surveillance, and Reconnaissance (ISR); Command, Control, Communications, and Computer (C4); and precision force capability, to envision future warfighting applications. Fourth, we are confronting, in this post-Cold War era, threats that are less well-defined; and consequently, are applying joint capabilities-based approaches to enhance the more traditional threat-based paradigms for determining requirements. Taken together, these considerations imply an environment where joint oversight is increasingly important in efficiently using our defense resources and ensuring we sustain the military capability to successfully execute the National Military Strategy (NMS).

Requirements Oversight

Much of the JROC process is as it was in earlier years. The Council remains formally a part of the acquisition process within the Department of Defense. As such, it provides the primary interface between the military's perception of needs and the Department's decision-making sequence for meeting such needs. The JROC oversees the requirements generation process and mission need determination to ensure that it is linked to our military strategy. The JROC Chairman is the final military authority responsible for validating the military's need for some new materiel capability--certifying, in essence, that a nonmateriel solution is not feasible. The JROC then validates the key performance parameters and their associated objective and threshold values as reflected in operational requirements documents, and provides appropriate recommendations to the Under Secretary of Defense for Acquisition and Technology. This validation is done within the context of fulfilling mission needs to eliminate capability deficiencies for our CINCs, while striving to achieve interoperability, reduce unnecessary parallel or duplicative development efforts, and promote economies of scale. In addition, the JROC conducts program reviews between formal acquisition milestones to ensure system performance meets original mission needs.

The position of Vice Chairman is the critical link between this system that generates and validates military requirements, and the management process for Major Defense Acquisition Programs (MDAPs) since he also serves as Co-Chairman of the Defense Acquisition Board. This access provides him the ability to transfer insights, military judgment, and technical or economic acquisition considerations across both fora.

Joint Assessments

The JROC has tackled this tough challenge head-on--spending approximately 30 hours per month assessing the spectrum of existing military capabilities and the Department of Defense's proposals to advance them. Correspondingly, we expanded the JROC's focus beyond merely acquisition-related oversight, to assessments of our joint warfighting capabilities in ten distinct areas: Strike; Land and Littoral Warfare; Strategic Mobility and Sustainability; Sea, Air and Space Superiority; Deterrence and Counterproliferation of Weapons of Mass Destruction; Command and Control; Information Warfare; Intelligence, Surveillance, and Reconnaissance; Regional Engagement and Presence; and, Joint Readiness. Yet, this is a living process whereby the domains of these assessment teams may shift to support a particular issue. In essence, the process is designed to be comprehensive in scope.

JWCA findings and recommendations are not restricted to the Future Years Defense Plan (FYDP). Examining and recommending program alternatives within joint warfighting capability areas requires careful scrutiny of empirical data, appropriate application of analytical processes, and most importantly, sound military judgment. Accordingly, the team's recommendations focus on specific enhancements to joint readiness and better approaches to satisfying our joint warfighting requirements.

Furthermore, we have engaged the CINCs and Joint Chiefs in executive discussions of these assessments with a view toward building consensus among the uniformed military leadership on the JROC's recommendations concerning the defense program. These assessments strive to identify opportunities to leverage service capabilities, enhance joint interoperability, and eliminate unnecessary duplication. All in all, this process has created a positive, collegial environment of trust, teamwork, and joint knowledge-building that has immensely enhanced our input to the CJCS in his development of military advice to the SECDEF.

JROC PROCESS

Under Sections 153, and 163 of Chapter 5, and Section 181 of Chapter 7, Title 10 United States Code, the Chairman of the Joint Chiefs of Staff is charged to provide advice and assistance to the Secretary of Defense in the development of written policy guidance for the preparation and review of the program recommendations and budget proposals of Department of Defense (DOD) components. The CJCS is also tasked to advise the Secretary of Defense on the extent to which program recommendations and budget proposals of the military departments and other components of DOD conform to established strategic plans and CINC warfighting priorities. Additionally, the CJCS is responsible for submitting alternative program recommendations and budget proposals to achieve greater conformance with these priorities.

As the principal military advisor to the National Command Authorities and the CINCs' spokesman, the Chairman approaches the assessment of military needs from a joint warfighting perspective to ensure that the nation effectively leverages Service and Defense agency capabilities, while minimizing their limitations. These assessments may involve joint readiness, military requirements, and plans for recapitalizing joint capabilities. The JWCA process, with JROC oversight, is one of the mechanisms the Chairman uses for conducting such assessments. The Joint

Staff Director for Force Structure, Resources, and Assessment (J-8) is appointed by the JROC Chairman as the JROC Secretary. The Secretary supports the JROC and the CINCs in the execution and integration of the JWCA process and its associated administrative procedures. The JROC Secretary also provides periodic updates to the Office of the Secretary of Defense (OSD) to ensure communication and harmonization of effort between the JWCA process and other Department of Defense activities.

Directors of various Joint Staff directorates are appointed by the JROC Chairman to serve as JWCA sponsors. Each JWCA sponsor is directly responsible to the JROC for establishing appropriate team organization and assessment measures of effectiveness; employing appropriate assessment methodologies; collecting necessary data; and defining assessment domains. JWCA sponsors are further charged to identify deficiencies and strengths in joint warfighting capabilities, and provide the JROC specific program recommendations for each.

The JWCA process examines key relationships and interactions among warfighting capabilities to identify opportunities for improving joint effectiveness. Each JWCA team is composed of warfighting and functional area experts from the Joint Staff, unified commands, Services, OSD, Defense agencies, and others as required to conduct continuous assessments within their respective domains, as directed by the JROC. The JWCA teams

assess areas with capability deficiencies, unnecessary duplication, or exploitable technologies; as well as areas where we may prudently accept some risk. Therefore, the net sum of JWCA recommendations can be at least approximately balanced, in fiscal terms, to support resource levels and planning guidance provided by the SECDEF.

The resulting JWCA findings and recommendations are presented to the JROC for its consideration. Against this context, a goal of the JWCA process is to bring knowledge to the "four-star" military forum. The JROC is therefore instrumental in helping the Chairman forge consensus and explore new alternatives through more extensive, open, and candid assessments of joint military capabilities and requirements by the unified commands, Services, and Joint Staff. The JROC devotes a significant commitment of time to formal, separate discussions among the CINCs and JCS centered on their efforts to identify joint military requirements and assess our capabilities to meet them. Specifically, the JROC as a body, accompanied by the flag or general officer leaders of the JWCA teams, travels to the Combatant Command Headquarters twice a year to build knowledge and exchange perspectives with the CINCs and their respective component commanders and staffs, first hand. The insights gained during these exchanges are crucial in incorporating the CINC's Integrated Priority Lists and other mission requirements with the

Services' other efforts to assist in developing a defense program that effectively supports a joint perspective. Consequently, the JROC process facilitates integrating efforts associated with the development of joint military capabilities across the Department of Defense.

The CJCS draws from the resulting JWCA findings and recommendations, as well as other inputs from the Joint Chiefs and the CINCs, to fulfill his statutory responsibilities in providing military advice to the SECDEF. The Chairman's Program Recommendations (CPR) and the Chairman's Program Assessments (CPA) form the basis for fulfilling the CJCS's program and budget advisory responsibilities to the SECDEF. They are supported by both the deliberate planning process and the JWCA process, but are produced and delivered separately from other Planning, Programming, and Budgeting System (PPBS) and Joint Strategic Planning System (JSPS) documents.

The CPR, delivered early in each Program Objective Memorandum (POM) cycle, provides input to the planning and programming process, before completion of the Defense Planning Guidance (DPG). The CPR provides the Chairman's personal recommendations to the SECDEF for his consideration when identifying priorities and performance goals in the DPG. These recommendations represent the Chairman's view of programs important for creating or enhancing joint warfighting

capabilities. The Secretary, after considering the CJCS's recommendations, publishes the DPG to create a frame work for identifying relative priorities among established and emerging capabilities and providing measurable performance goals for attaining them. Notwithstanding, the CPR alerts the SECDEF and Services to the Chairman's views regarding what he, as the senior military advisor, envisions should be reflected in the Service and Defense agency programs when submitted.

The CPA was initiated by Admiral Crowe to meet the statutory responsibilities of the CJCS concerning advice on the prioritization of military requirements. The CPA also fulfills the Goldwater - Nichols intent of providing alternative program recommendations which better satisfy strategic and CINC priorities. Each year, the JWCA teams assist in assessing the Program Objective Memorandums (POMs) of the military departments and other components of the DOD, and the preliminary program decisions made regarding the defense program. The CJCS incorporates their resulting recommendations, together with the insights of the JROC, CINCs, and Joint Chiefs, as a foundation for his Program Assessment. The CPA, delivered near the end of the program review cycle, provides the CJCS's personal assessment of the adequacy of the Service and Defense agency POMs. It therefore provides comments on the risk associated with the programmed allocation of defense resources. The CPA also

includes an evaluation of the extent to which the POMs conform with the priorities established in strategic plans and the CINCs' requirements. Where applicable, the CJCS will make specific alternative program recommendations and budget proposals to the SECDEF which more adequately reflect strategic and CINC priorities.

CONCLUSION

The JROC serves a critical role in supporting the CJCS in executing his responsibilities to assess the defense program and provide military advice to the SECDEF. It continues to provide the joint uniformed military's input on the development of material solutions for modernizing, replacing, and achieving commonality for equipment across our joint force structure. The JROC therefore serves two key functions: one associated with the validation of mission needs and performance parameters for acquisition proposals; and one related to the assessment of joint warfighting capabilities.

The JROC approaches their requirements oversight and capability assessment charter with a goal of providing recommendations to the CJCS that will ensure the best defense for the resources available. This body presents the Joint Chiefs with reasoned insights based on the knowledge and military judgment of a "four star" cross-Service forum supported by a

comprehensive joint assessment process. Our ability to transcend and adjust the interests of separate military services, combatant commands, and agencies is key in achieving resource allocations that produce an overall defense capability that represents far more than the sum of its parts. In short, we are jointly balancing readiness, recapitalization, and resources to maintain our relative military capability today, and well into the future.

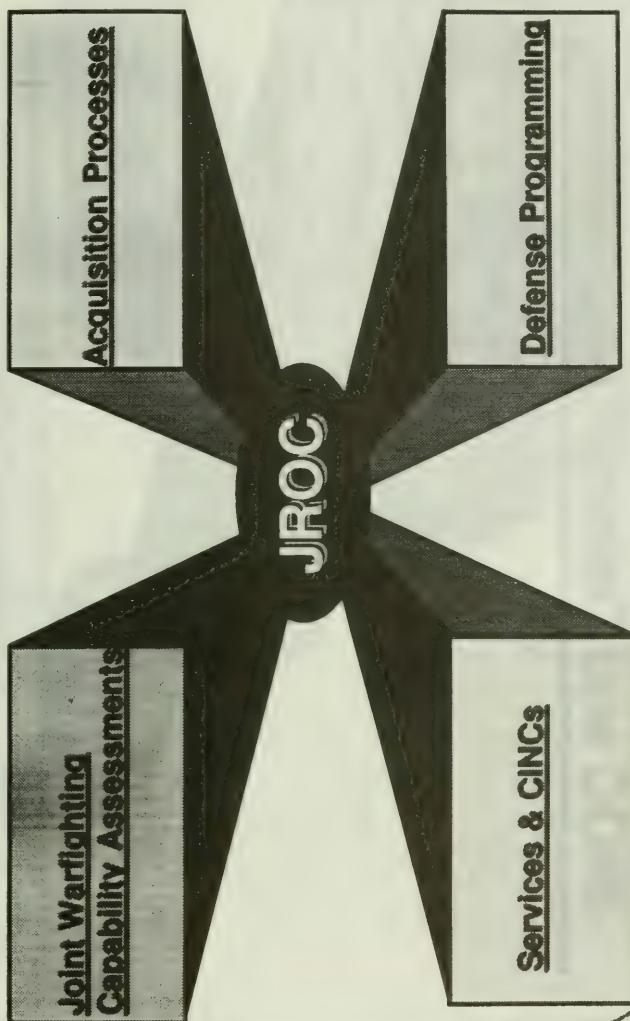
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**JOINT REQUIREMENTS
OVERSIGHT COUNCIL**
Testimony before the
**HOUSE COMMITTEE ON
NATIONAL SECURITY**

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JROC Linkages



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JROC and Defense Acquisition

Acquisition Processes

Mission Needs Statement
Key Performance Parameters
Operational Reqs Document
Defense Acquisition Board

REQUIREMENTS

JROC

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Joint Requirements Oversight Council



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PLANNING GUIDANCE

- **LINKS NATIONAL MILITARY STRATEGY TO
DEFENSE PROGRAM**
- **PROVIDES FISCAL TARGETS FOR
DEFENSE RESOURCE ALLOCATION**
- **DIRECTS JOINT PRIORITIES TO SERVICES
AND AGENCIES**

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PROGRAM OBJECTIVE MEMORANDUM (POM)

- PORTRAYS SERVICE / AGENCY
RESOURCE PRIORITIES
- BRIEFED TO JROC
- BASELINE FOR JOINT ASSESSMENTS

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RECAPITALIZATION

- REPLACEMENT
- MODERNIZATION
- COMMONALITY

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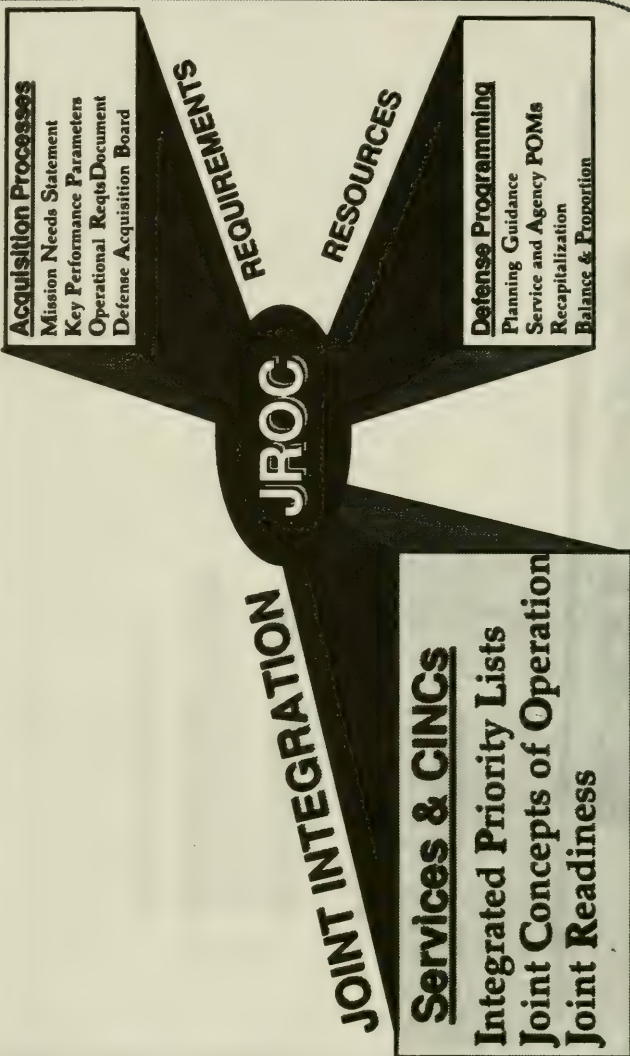
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BALANCE & PROPORTION

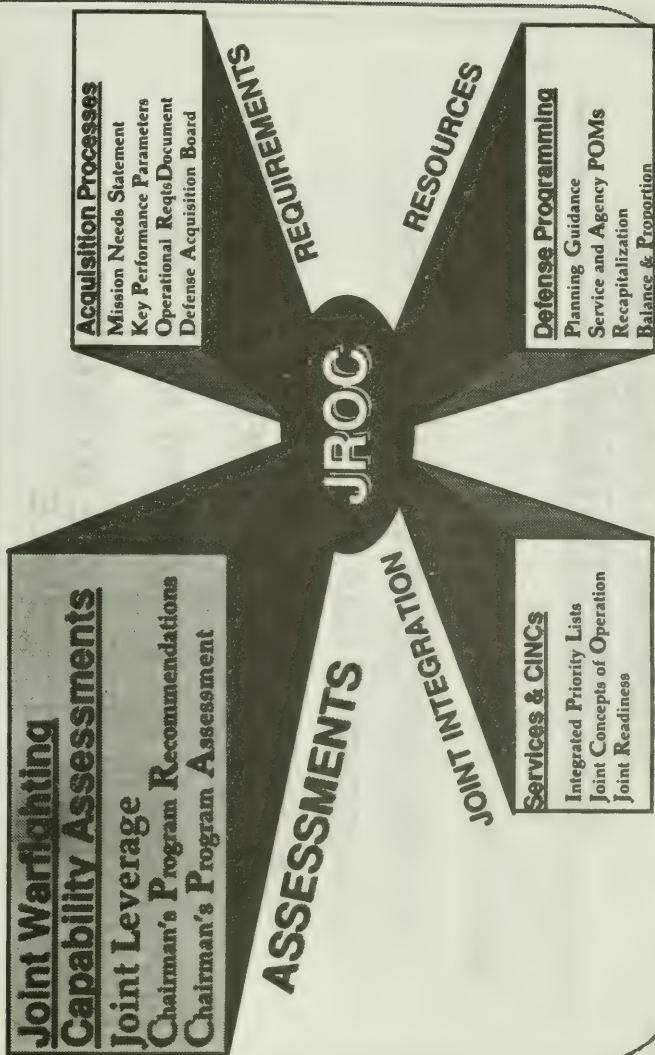
- **READINESS**
- **FORCE STRUCTURE**
- **MODERNIZATION**
- **INFRASTRUCTURE**

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JROC and SERVICES / CINCS



JROC and the JWCA PROCESS



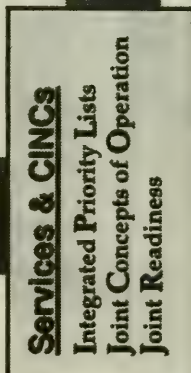
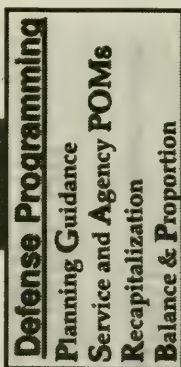
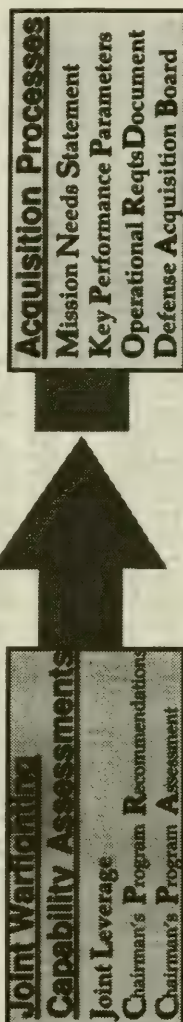
CHAIRMAN'S PROGRAM RECOMMENDATIONS (CPR)

- SEEKS BALANCE AMONG:
 - COMBATANT COMMANDERS IN CHIEF
 - WARFIGHTING CAPABILITIES
 - READINESS, FORCE STRUCTURE,
MODERNIZATION, AND INFRASTRUCTURE
- DISCUSSED WITH CINCS AND JOINT CHIEFS
- CJCS PERSONAL ADVICE TO SECDEF
ON PLANNING GUIDANCE

CHAIRMAN'S PROGRAM ASSESSMENT (CPA)

- CJCS PERSONAL ADVICE TO SECDEF ON
CONFORMANCE OF SERVICE AND
AGENCY PROGRAMS
 - DEFENSE PLANNING GUIDANCE AND CINC
PRIORITIES
- PROVIDES ALTERNATIVE BUDGET PROPOSALS
AND PROGRAM RECOMMENDATIONS
- FULFILLS CJCS RESPONSIBILITY UNDER
GOLDWATER -- NICHOLS ACT

CONNECTING PROCESSES



JROC Linkages



The CHAIRMAN. Thank you very much, general. I can see by your presentation you have been busy and expect to be busier in the future, I guess. You do us a tremendous service by what you have been involved in.

Just to kind of set the stage, let me ask a question, if I might, to start these proceedings out. At the beginning of this Congress, this committee, I think, in a bipartisan way, and by extension, the Congress in a bipartisan way, decided that we had been cutting back too much in our military, I think. I think it is fair to say that this committee in a bipartisan way, because of the actions we have taken, have determined that our defenses are underfunded, that we aren't funding the kind of defense that we are supposed to have. And so we decided to do something about it and ran into a little trouble along the way, but nonetheless, we have been able to last year add about \$7 billion to the administration's request and have some of our critics call it pork because we added things to the budget—plus-ups they call it—that were not asked for in the budget even though we knew that you had asked for it, the services, and had been turned down for it.

This year, if things go as we plan, we hope to add about \$13 billion in plus-ups to the budget in an effort to do something about the shortfall we had in funding, and especially in procurement.

That brings me down to the question I wanted to ask you about. We have talked a good bit—and I referred to it in my opening remarks—about the \$60 billion that the Chairman of the Joint Chiefs, working with you folks, has decided needed to be added to the budget by fiscal year 1998 to avoid, in the words of many, future combat readiness problems.

In spite of this problem, we find it has been put off until the year 2001, well after the administration, as I said before, under any scenario, has left office. I don't think we can will this to somebody else like you do in civilian life and hope that it will be carried out by somebody else. We just don't know. Nevertheless, it will be too late anyway to catch up at that future time.

So I would like to ask each of you to answer these questions along those lines. Do you support the conclusion attributed to General Shalikashvili that it is necessary to increase the procurement funding to a level of \$60 billion by fiscal year 1998 in order to avert a reduction in future combat readiness? And is it your professional judgment that the necessary savings can be achieved through acquisition and management reform and BRAC to adequately recapitalize the procurement accounts beginning in the next year or two?

Then, finally, do you support using deeper reductions in force structure as a future bill payer to achieve the increased level of procurement spending?

Why don't we start with you, General Ralston?

General RALSTON. First of all, Mr. Chairman, with regard to your first question on do I support the Chairman's view, as I understand the way that the JROC arrived at this number, they took the size of the Bottom-Up Review force structure that we have, and as in any business where you would depreciate your assets over the years, you have to look at what you need to do to recapitalize that force. If you add up what each of the services require, that comes out to about \$60 billion a year.

We would all like to see that \$60 billion as soon as we could get it. We do have fiscal constraints, and what we have tried to do, the JROC, is recommend a balanced program within those fiscally constrained dollars that we have, looking at readiness, force structure, recapitalization, and infrastructure. So in that view, I believe that we are consistent with the Chairman's statement.

With regard to can we do it through acquisition reform efforts and privatization, I believe that there are certainly dollars available through some means that we can get some of that. It will also, I believe, require an increase in real dollars, as well, to get there, is my personal view.

Last, do I support reductions in force structure as a way to do that? I do not see any way that we can reduce our current force structure and still do the national military strategy as it has been outlined for us.

The CHAIRMAN. Does anyone disagree with that assessment? Would you individually like to add any comments?

General MOORMAN. I would only add one thing to the Vice Chairman's discussion on where you might look for savings, and because it involves what we are about in the JROC, I thought I would underscore it, and that is they look at joint warfighting for duplication of effort or redundancies and where we might not be doing things as efficiently. This may result in savings in systems that are redundant, for example. I think there is a lot of gold to be mined in that area and I think that is a significant role for the JROC.

The CHAIRMAN. Does anyone else wish to comment?

General GRIFFITH. Mr. Chairman, I would just like to underscore that this \$60 billion goal that was discussed at length within the JROC contact, the forum, again, it is one that we certainly support. I would also say that we do believe that there are ways that we can help ourselves in this context and that has been very much a part of the deliberations within the JROC. What is it that we can do in terms of joint warfighting approaches that will eliminate redundancies, where possible, the efficiencies that have been talked to.

I would say within the Army we are very aggressively pursuing efficiencies that will allow us to put more money into our own procurement accounts. I would not suggest to you that they are sufficient to fix our program, but I do think that there are efficiencies that could be made. The privatization approach, we think has promise to allow us to garner dollars to put back into our procurement accounts.

I would just like to say from the Army's point of view, sir, that we believe that the force structure of the U.S. Army would not be an approach that we would go to to generate more dollars for procurement willingly.

The CHAIRMAN. I assume that in your deliberations and the deliberations when you arrived at this \$60 billion, that those things were considered, most of these savings that we were talking about, and I am sure those things were discussed and all the pennies you could find were scraped up in a pile and you still need beyond that, and that was the point we are trying to make. We are trying to help you help yourself, and so we need your advice and counsel in helping us do this.

Mr. Montgomery.

Mr. MONTGOMERY. Thank you, Mr. Chairman. I welcome our witnesses again.

I point out that the active forces are very much relying on the National Guard and Reserve and I give you these numbers. Seventy percent in the Army of the artillery and nearly half—listen to this, Mr. Chairman—nearly half of the Army's combat power now will be in the Army National Guard, so it is a total force out there working.

In the Air Force or the Air Guard or Air Reserve, 60 percent of all the airlift is now in the National Guard. The tactical fighter aircraft, about 40 percent of that is in the Air Guard.

In the Marines, about a third of the Marine combat is in the Reserves, am I correct on that?

Admiral HALL. Close on that, sir.

Mr. MONTGOMERY. In the Navy—I am very proud of the Navy—they are finally using reservists all over the place, in the air, on the ships, on the active ships, as well as putting them on Reserve ships.

So my question is, are we prepared, on your chart you used, General Ralston, are you prepared to really do a realistic acquisition program in the POM's that you pointed out, in the POM process for the Reserve? We have to keep adding money every year on procurement and we plus up numbers that come over from the President and from the Defense Department.

But the Reserves are so involved now that you have to send us some realistic figures over here and maybe we can do a better job. Overall, the Reserves get about nine percent of the monies from acquisition, appropriations, construction, however you want to put it, and they have all these missions. So my question is, are we going to get a true value from POM process?

General RALSTON. Let me defer that to the individual services, but before I do, certainly as the JROC reviews the service POMs, that is one of the things we look at, is a balance across all the services and the components, between Active and Reserve. I think I would rather let the services speak for themselves on their POMs.

Ron.

General GRIFFITH. Sir, you point out very correctly the Reserve components play an enormous role with the smaller Active forces and I would tell you most particularly that is true in the Army.

Mr. MONTGOMERY. General Griffith, some of us cannot quite hear you.

General GRIFFITH. Excuse me, sir. Again, I state that the Reserve component is playing a very large role, particularly with the smaller Active forces. As you well know, we have Reserve component forces deployed all over the world. For a long time we used Reserve components for a lot of our support operations in Central and South America. They are now in Bosnia. They are very much involved in that theatre. A lot of our military-to-military operations now in the old East Bloc are being supported very superbly by our National Guard forces.

Sir, you are aware that the Army has recently launched a series of initiatives, and you pointed out that 70 percent of the artillery force of the Army is in the National Guard. We have a very aggres-

sive program to modernize that artillery. We intend to put the Palladin. We are trying through the program, by the end of the program, to have all of our artillery brigades in the National Guard modernized with the Palladin. We are putting MLRS into those brigades.

As you well know, sir, one of our high priority systems in the Army is trucks, not very glamorous, but very, very important to land forces. A lot of what we need to modernize our Guard and Reserve forces are, in fact, through less glamorous systems like trucks, and I will tell you that we intend to resource to the fullest of our capabilities the Reserve components with those trucks as we bring them on.

We also have a recent initiative where we are moving air defense organizations out of the Active Force into the National Guard. We envision, again, by the end of the 5-year defense program time frame that we will have all of our National Guard air defense units replace the old systems, the Hawk, the Chaparral, and to have or replace them with the modern Avenger system.

So, sir, I would tell you our commitment is to supporting the Guard and Reserve forces to the fullest extent possible with the resources available to us. They will certainly be resourced commensurate with how they will deploy into the fight. Many of the Reserve component units are deployed into theatre before Active forces, and for equipping, they stand higher on the priority list for equipping than do Active Forces who deploy after those Reserve units.

So, sir, I think we have it in balance. We obviously would like to move to a more aggressive modernization program, but we think that the modernization program we have is pretty substantial, Mr. Montgomery.

Mr. MONTGOMERY. I congratulate you. You are one of the few in the last 20 years who are now using the Reserves. But really, my question was in the POM process, are you going to really send us the need up here for equipment procurement, technicians, and so forth?

General GRIFFITH. The answer is yes, sir.

Mr. MONTGOMERY. All right.

Mr. SISISKY. Would the gentleman yield for a minute? I think what Mr. Montgomery is really talking about, every year, the services depend on Mr. Montgomery to put in a bill for the Reserves, from \$800 million to \$1 billion and then even more. Mr. Montgomery, as you know, is retiring and I think what he is worried about is the services have been depending on him to do it and he does it every year. I have been here 14 years and he has done it for 14 years. I do not know what he did before.

But I think that is what he is asking, whether the services will put the money in rather than doing it from up here. Is that a fair statement?

Mr. MONTGOMERY. That is very fair.

Mr. SISISKY. I know you do not want to boast.

General GRIFFITH. Sir, I understand the question very clearly and I will tell you that we are committed to doing just that. The prioritization process within the Army resources the earliest deploying unit, and among some of the very earliest deploying units

are the Guard and Reserve units, and they will be equipped in that priority framework.

Mr. SISISKY. I will just say one more thing. Every time he submitted something, it was MLRS in there, and you said it is 70 percent of the artillery, so obviously it has done some good. But we want to be sure that the Department of Defense puts it in rather than somebody up here doing it.

Mr. MONTGOMERY. That is correct. We do need some help. My package is very kind. It is not that big and we do need the Active Forces to carry some of these, like MLRS, C-9's for the Navy Reserve, and you are helping us some like that, but we want to be sure. We hear a lot about POM's and most of us really do not know how it works, but you refer back to where the POM did this or the POM did that and we want to be sure that the total force is included in the POM, is I guess what I am trying to say.

General MOORMAN. Mr. Montgomery, perhaps I could say something from the Air Force's perspective, and we talked about this at the hearing on the Reserve Forces Revitalization Act. From an Air Force outlook, as you know, the Director of the Guard and the head of the Reserves sit at the table when we develop our program.

While the percentage might look a little low in new procurement, the Air Force as a corporate body procures equipment for the Guard and then transfers that equipment to the Guard and the Reserves. As a consequence, the Guard and the Reserves in the Air Force fly the most up-to-date equipment, B-1's, they will fly C-17's, the most up-to-date F-16's, and they get new missions like the Polar mission for the 130, the Arctic mission.

What this means is that the Air Force, when it deploys, it deploys as a total force and the CINC's do not know whether it is a Guard, Reserve, or an Active unit that is meeting that commitment.

So in the sense of the POM, you have the Air Force's commitment that we will continue to fund the Guard and the Reserves well and provide them, therefore, the best possible equipment, sir.

General HEARNEY. Sir, if I might, the Marine Corps, you mentioned 30 percent, and that is fairly accurate, sir, of the combat power in the Marine Corps that is resident in the Reserves. We fully appreciate their contribution, not only what they did in Desert Storm but what they do for us on a day-to-day basis. You may recall when I appeared before you last week recounting the exercise in Norway led by a Reserve brigadier general and 4,000 Reserves that just concluded last week. They are full participants, and I would say here today we certainly appreciate what you have done for the Reserves throughout the services.

They are also full participants in the development of the POM process. They are there from the start through the finish and are active members and are heard, and like the other services, we work hard to ensure commonality of equipment so when we do have to fight or train together, there is common equipment and we have that ability to work as a total force that we are dedicated to.

You may also remember last week that General Richard mentioned moving money from the regular accounts into the Reserve accounts last year to buck them up somewhat. So there is no doubt,

sir, that we are committed to a total force approach in the Marine Corps.

Admiral JOHNSON. And you know, sir, it is very much that way in the Navy. You alluded to it. We talked about it a little bit last week. We simply do not and cannot do our jobs anymore without the Reserves. We realize that. They are fully invested with us. Admiral Hall and his team sit at the table throughout the whole programming and planning process as we develop our POM.

We have Reserve units that are forward deployed virtually all the time. Today, we have the Helicopter Combat Support Squadron 4 out in Norfolk, VA. The Reserve squadron embarked on U.S.S. *George Washington* over in the Persian Gulf. Why? Because they have the newest HH-60's and we do not have enough of them in the regular force. So they make a definite contribution. The EA-6B's deploy routinely on *Theodore Roosevelt*, two times running now over in Bosnia, so we are very much committed to that and I personally do not see that changing at all, sir.

Mr. MONTGOMERY. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Hefley.

Mr. HEFLEY. Thank you very much, and thank you gentlemen for being here today. I particularly want to welcome Tom Moorman to the committee today. We miss you out in Colorado Springs, Tom. We would love for you to come back and join your family out there.

General MOORMAN. Thank you.

Mr. HEFLEY. Let me say from the standpoint of military construction, which I have maybe the most input into, I am glad to hear you say what you did about the Reserves and Guard and so forth. We, in military construction, we are making the assumption that if you do not put it in your priority list, in your budget for the Guard and Reserve that it is not a priority with you.

We are trying to get away from the old way of doing it, where Mr. Montgomery or someone else has to put it in up here, as Mr. Sisisky said. So if it is important to you, put it in there. We want to be helpful to you. If it is not important to you, if it is not in there, we are making the assumption that you have made that decision.

I was very interested in the charts, General, and the process all looks great, the way it is supposed to work. It looks great. The Defense Department is good at process, we know that, and you have worked out a great process. But I guess from a practical standpoint, I am interested in how well this works from a war-fighting perspective.

I do not know if any of you have read the book "Pentagon," I think it was Alan Drury. Just very briefly, it is the story of a small South Pacific island which was taken over by an enemy and we were not going to let that happen and how the Pentagon goes about solving that problem. The basic conclusion was the Pentagon cannot get here from there. This was before Goldwater-Nichols, and I know many things have changed, but we found that out pretty much in Grenada that we did not talk to each other and we could not get there from here. We were much better in Panama and the Persian Gulf.

Is it working today, the joint efforts? Can you interchange equipment? Can you interchange radio frequencies? Can you make it work today in a joint effort?

General RALSTON. Yes, sir. Let me take that. To address the first part of your question, one of the things that has been a change, and this is a change in the last 2 years, quite frankly, is where the JROC goes twice a year to all of those nine commanders in chiefs and sits down and makes sure that we understand fully what they need to do their job out there in the field. We do not sit here inside the Beltway and hope to get it right from here, and I think that has been a positive influence on the JROC and I think that our programs are better because of it.

With regard to our ability to interoperate and communicate with each other, a very recent decision on the part of the JROC was to try to come up with a standard digital data link that all the services would be on, whether it was tanks or airplanes or ships, so that they all could communicate. That standard was selected as Link 16. That is the first time that that has been done, and that was in the Chairman's program recommendation that he made to the Secretary of Defense. It was accepted, and now the services are required to program and put that in their POM so that, in fact, we are all able to communicate all the time.

So are we there yet? No, sir, we are not there yet. Are we working toward it? Yes, sir, we are working toward it.

Mr. HEFLEY. Is there a commitment on the part of each of the services, do you think, to that as a goal, away from the parochial aspect of the individual services?

General RALSTON. Let me let each service Vice Chief answer that.

Admiral JOHNSON. I would say, Mr. Hefley, and I am the newest member of the JROC, I have been here all of 3 weeks, but I came from the fleet, from the field, and I would just say that from the perspective of a fleet commander, the way we train, the way we certify, the way we send our forces forward now is like it has never been before. What makes the difference is the joint application to our profession.

We still maintain specific service core competencies, but complimenting that, we train in a joint environment in a way where we do, in fact, exchange equipment and understand the process together like we have never done before. So I think that is powerful in terms of readiness but it also is very educational for the forces in the field.

We do not do anything from a Navy perspective. We do not do anything sending forces forward now where they have not been trained in joint applications before they go. We also make the statement when we are forward with our battle groups and our amphibious ready groups that every single day when you are forward deployed you either operate in a joint environment with other services, a combined environment with other countries' services, or both, and that is the reality. So we are very much committed to that as a service.

General HEARNEY. Sir, if I might, I have been involved in this process for some time and I go back to Joe's chart where he talked about replacement, modernization, and commonality. This group, I

think I could say without hesitation, is committed to working toward commonality, and that means not just interface boxes but where we have the same equipment and we can talk across the battlefield.

A benefit of this group is that we take that back to our individual services and drive it from a Vice Chief standpoint. There are some real good examples. Joe gave you one about the JTID's, Link 16, but there are a number of others. There is a logistics system and common identification of logistics system and transportation. There is the common UAV's and the ground stations. There is the munitions, combat ID.

These would not have happened, I do not think, unless we had had this group. I see nothing but positive spinoffs from the JROC plus it has backings of the services to ensure that we have that commonality.

General MOORMAN. Mr. Hefley, it is nice to see you, sir.

Let me just reinforce what my colleagues have said. Both the Assistant Commandant and I have been doing this now for about a year and a half. The process is this joint warfighting capability assessments, where you look at all these functional areas in a joint context. As we meet together, 10 to 15 hours a week, and as you take these briefings, over time, it leaps out at you where there are inefficiencies or where there are areas that need to be improved from a joint context.

We work on that and make recommendations, and our paths are really twofold. General Hearney mentioned one of them and General Ralston mentioned the other. I would like to bring them together in a synergy.

One, from the services' perspective, it is now absolutely clear that the thing you want to fund is the thing that improves jointness. You can see that in every service POM, the priority that we put on systems that improve the warfighting capability of the individual CINC's.

The other area where that gets influenced is when we go and visit the CINC's, as General Ralston said. We give them the same briefings. It is very interesting to watch their maturation in this process and how their requirements over time have adapted to the JROC and the JWCA and conversely. What I mean by that is they identify their needs in something called an integrated priority list, or an IPL. It is very interesting to watch the JROC process and what we thought was important versus what the individual CINC's IPL's.

So I think jointness is growing. I do not think any of our services think parochially anymore; we all think joint. I think the JROC, it is a work in process, but that is what the JROC is bringing to you, I think.

Mr. HEFLEY. Thank you very much.

General GRIFFITH. Sir, I would just add briefly, again, I have been in the JROC now, sir, about 10 months. I would just tell you very simply, if a service brings a system into that forum, the question will be posed very pointedly, how does this system fit on the battlefield? In that discussion is the question, does this system need to share information with other joint systems or other elements of the force that are, for example, not Army forces?

If the answer to that question is yes, then I can assure you, sir, that system will not be validated unless it is demonstrated that the information sharing can occur in a joint context. It is a very rigorous review and very tough to get through there and will not get through if it does not meet the joint interoperability question, sir.

The CHAIRMAN. Thank you.

The gentleman from Texas, Mr. Edwards.

Mr. EDWARDS. Thank you, Mr. Chairman. Thank you all for being here.

General Ralston, it is my understanding that of the top 10 DOD investment program priorities that I assume JROC reviewed, not a single one of those is an Army program. It seems to me one of the lessons of Desert Shield and Desert Storm was that despite the tremendous work of our Air Force, ultimately, it took soldiers on the ground to fight that war. In fact, I believe the vast majority of Saddam Hussein's tanks were still operating when we started the land war there. It also appears that our national policy is to be sending more deployments of Army soldiers to Rwanda, Haiti, Macedonia, Bosnia.

Considering the fact that the Army is now the eight largest army in the world, so there are seven others, perhaps eight other nations that have a larger army than us, it seems to me the only way our soldiers are going to have a fair fight—and I never want them in a fair fight, I want them to have the unfair advantage—are we not jeopardizing the lives of those Army soldiers by investing so much of our limited resources into research programs that do not directly assist our Army soldiers? I know it is all related, but is the Army getting its fair share of research and development funds, in your opinion?

General RALSTON. Let me best address that by having the Army Vice Chief start off and then maybe I will add to it.

General GRIFFITH. Sir, as you indicate, if you look at the weapons systems in the Defense Department, I think you get to No. 13 before you hit an Army system and I believe that Army system is the Crusader, our new artillery weapons system.

Quite frankly, we are cheaper than the other services because we are more dependent on people than we are on weapons systems. But, of course, systems are important to us.

Sir, I would say, as is the case with every other service, we think that the procurement needs of the Army are greater than we can afford to resource right now. Sitting in the JROC, I would tell you that I think that our story is well received. In fact, I would say over the last couple of years, probably one of the most effective spokesmen for the Army has been Adm. Bill Owens, the former Chairman of the JROC, and we appreciated that support greatly. He, while we were incapable of doing so, apparently he gained a lot of support for Army trucks, and so we appreciate that support.

I would say that I think that the system of the JROC will ensure over time that there is a balance among our forces because I think this body really believes that we have to have effective joint forces that can fight across the spectrum. So I have great confidence in what this forum can do, sir, in addressing all the service requirements.

But again, I would acknowledge that our No. 1 system is No. 13 and that we believe that we have some system requirements that at this time we are not capable of resourcing at the level we would like to.

Mr. EDWARDS. Could I also ask General Griffith or General Ralston, has the Army's percentage of our research and procurement programs decreased over the last 5 to 10 years as a percentage of the total defense procurement and research programs, or is the Army's piece of the pie—

General GRIFFITH. The answer is, yes, sir, it has.

Mr. EDWARDS. It has.

General GRIFFITH. Sir, I have to come back for the record and tell you specifically to what extent. I believe there was a time where the Army received about 24 percent of the TOA. We are now at about 23 percent TOA.

Mr. EDWARDS. I guess I will just conclude with this statement and not ask for a response. It seems with the Army having gone from 18 to 10 active duty divisions, our now being only the eighth largest army in the world, with an Air Force and Navy that I believe are clearly far superior in technology to any other nation in the world, I just hope our leadership at the Pentagon and colleagues on this committee will be sensitive to the needs of helping that soldier out there.

My concern about this process intrinsically, without casting dispersions on anybody, is that when you talk about an aircraft carrier, a B-2, or some other major Navy or Air Force systems, you have a—I know I am stepping on sensitive grounds here, those wonderful aircraft carriers—you have a tremendous built-in support organization, from contractors and subcontractors and elected officials all over the country interested in good defense and in jobs in their districts, whereas you start talking about munitions and trucks and uniforms and guns for Army soldiers, it is not a fair fight. I hope this committee will be sensitive to that.

Mr. HUNTER. Would my friend yield for 1 second?

Mr. EDWARDS. Absolutely.

Mr. HUNTER. I think you make an excellent point, my friend from Texas. That is one reason we plussed up ammunition accounts and truck accounts last year, although to my understanding, I do not know a member on the committee that has truck plants in his district or ammunition plants in his district. There may be some, but I am not, as the chairman of the Procurement Subcommittee, do not know exactly where they are at.

I do know that we are short of equipment. We gave those to you. We did not get any response back from you that we were happy to get them and we got beaten up on by the DOD generally for adding what they called pork to the bill, but we did add ammunition and trucks because you folks have an instant need for them.

I thank my friend for yielding.

Mr. EDWARDS. And I will conclude by thanking the subcommittee chairman, because I think that was an example of this committee looking at a real need, whether there was political support for it or broadbased national support, and doing what I thought was the right thing. I thank the chairman.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

The gentleman from Georgia, Mr. Chambliss.

Mr. CHAMBLISS. Thank you, Mr. Chairman.

General Ralston, you talked about your method of acquisition and the way you get together with your nine Chiefs and what not before you reach a decision and seeing what the needs are. Does that process reach all the way down to that enlisted personnel down there to find out what the real needs of those folks are, too, and is there any structure in place to do that? Do you leave it to each individual branch? How does that work?

General RALSTON. Let me talk overall, and then perhaps the individual service Vice Chiefs can add to that.

Let me go back to my previous assignment when I was at Air Combat Command. One of the things as we put together the infamous POM that we talked about there is the services put together their budgets. We go down to the lowest level. We go down to the squadron level where they are talking to the lowest sergeant and airman down there and we build from the grassroots up, if you will, what the requirements are across the board. That comes up to the wings, the numbered Air Forces, ultimately up to the major command, in the case of the Air Force.

Then it was our job to articulate as best we could to our Air Force Air Staff in the Pentagon what we needed for the individual airman and sergeant and airplane and all across the board, whether it was housing, whether it was equipment, whether it was pay, whether it was a retirement. We tried to articulate as best we could those needs and then that is aggregated up at the Air Staff level.

I will let the other services talk to their particular processes.

General HEARNEY. Sir, that is exactly right. It is done the same way in the Marine Corps and I think this is best reflected in that one of the Commandant's highest priorities is individual equipment for his Marines.

General GRIFFITH. I would say, sir, in the very top priority needs of the U.S. Army and the top priorities from a resourcing perspective are soldier systems. We place those at the very top. So I think that, yes, sir, the answer is that the soldier, the airman—I think we all view that the capabilities of all our forces are the soldiers and sailors and the airmen in the field and that our obligation is to make sure that they are adequately resourced. I think that is a central focus all the time, sir.

Admiral JOHNSON. I would just underscore that from the Navy's perspective, as well. It gets back to my earlier comment to Mr. Hefley. When we operate out in the fleet, the investment down in the deck plates, the lessons that are learned, the things that they need, there is a formal process whereby those things get fed into the system and become part of the whole procurement strategy. So we are very much attuned to the needs of the individual sailor.

General MOORMAN. I would just echo what my colleagues have said and just say one other thing. I think we would also say that whenever you hear from a service Chief or a service Secretary, all of them will begin with saying that the most important asset that we have is not our equipment but our people. Consequently, the funding of people programs and quality-of-life programs are every

bit as important as we work our POM process, because we all know that we have to be able to continue to attract folks and retain those folks and we owe them to be the best equipped and the best fed and the best housed. It is a very important priority, sir.

Mr. CHAMBLISS. The other thing, General Ralston, sort of a two-part question. You were talking earlier about the fact that we downsized to where we are. I am wondering whether or not you all have discussed the fact that we are about as low as we can afford to be from a force structure standpoint and if we are to be able to maintain that two-MRC scenario, can we afford to go any lower?

Second, if we cannot, how in the world can we look down the road and anticipate cutting the Defense budget without cutting back on our ability to maintain that two-MRC scenario and also without continuing to end the research and development and providing of our forces with the absolute top equipment?

General RALSTON. Yes, sir. With regard to your first question, I believe the services are in agreement and I will ask them to comment if anyone disagrees with that, that through all of our analysis, all of our modeling, all of our war gaming, and all of our military is that as long as we have the national military strategy of two MRC's, we cannot further reduce the force structure that we have today.

Second, to maintain that force structure we have talked about, we have to strike the right balance between today's readiness and tomorrow's readiness of the modernization and of the infrastructure to support that. We have tried very hard for a balanced program and I believe that it is not possible to reduce the Defense budget further and keep that balance between force structure, readiness, modernization, and infrastructure that we need.

Does anyone want to add to that?

[No response.]

The CHAIRMAN. The gentleman from Rhode Island, Mr. Kennedy.

Mr. KENNEDY. Thank you, Mr. Chairman.

I appreciate the opportunity to address this distinguished panel and I agree with the focus of their mission, to bring the services together in an integrated fashion, especially with regard to procurement. It makes all the sense in the world, especially in this time of finite budgets.

One of the questions I wanted to ask was in reference to the DOD-released report today on the funding of submarine modernization plan and particularly to ask all of you what role you played and the JROC played in the conducting of that report that was issued by the Defense Department in compliance with section 131 of the Fiscal Year 1996 Defense Authorization Act. Have you seen it, or were you participating in it?

General RALSTON. Let me ask Admiral Johnson to talk to that first.

Admiral JOHNSON. Yes, sir. Mr. Kennedy, I have not seen the report. I will be happy to get an answer for you for the record.

Mr. KENNEDY. OK. Would JROC play a role in the Secretary of Defense report that would be coming out? Would not JROC play a role in that, or not, because it is not interagency or interservice?

General MOORMAN. I also am not familiar. I do not think any of us are familiar with that particular report that you reference, Mr.

Kennedy. But in one of our JWCA's, one of our joint warfighting capability assessments, is air, sea, and space superiority. That is clearly in the sea superiority area, so it is certainly within the purview of the JROC. But on that specific one, I have to say I have not seen it.

Mr. KENNEDY. I would ask for your comments in response to it when you do see it and would be interested in your reaction to the summary and its conclusions.

I would also like to ask you about the special operations forces budgets in respect to what you do. I know they have their own budgets. I would be anxious to hear, though, how you might do what you do already in reference to them.

General RALSTON. One of the CINC's that we go and talk to each cycle, of course, is CINC SOC, Special Operations Command. Much of the items that are funded, procurement items for Special Operations Command, certainly the major end items, are handled by the services. Then in the Program 11 budget are those things that are unique to special operations.

For example, if you are talking about CV-22's for Special Operations Command, if it happened to be the Air Force portion of that, that is in the Air Force's budget, and then special operations would have that delta over and above that. But the JROC, in fact, looks at that. Those are discussed and we do have a very good dialogue with the CINC.

Mr. KENNEDY. I would ask you to take a look at, in that vein that you just spoke about, there is an item in there that was made aware to me by GAO that they are forced to buy that does not fit into their special procurement budget for a coastal patrol craft that to them would cost them \$23 million to buy it, \$40 million to own it, and they have an outward projection that it is going to cost a great deal more than that. It is unique in that it has not been funded by SOC in the past but they find themselves having to fund it now and they think with their OPTEMPO as high as it is, it is going to really cost them in terms of their own ability to procure their needed special equipment and the like.

So if you could look at that, it is coastal patrol No. 14, I am told, and if you could get back to me on that, I would appreciate it.

Admiral JOHNSON. I will take that, Mr. Kennedy, and get back to you.

Mr. KENNEDY. Finally, General Ralston, if you could talk a little bit about the ACTD that was a big interest to your predecessor, Admiral Owens, and what role you think that will play as it goes forward in helping you do your job by testing out these advance concepts to find out which ones are the most promising concepts and the like.

I just would highlight the countermining technology that was one of the things that was part of this advanced concept technology demonstration that is now proving itself to be very important. In fact, we had a hearing before this and the committee was very interested in how we get into procurement and acquisition of weapons or technologies that would allow us to address this countermining problem. I think this was a major focus of the ACTD Program and I think it highlights the importance of that program

as we are now trying to rush out and buy this stuff for our soldiers in the field.

General RALSTON. Yes, sir. There are, as you know, a number of ACTD's. One of the things that I have talked to Dr. Kaminski, the Under Secretary of Defense for Acquisition, about is a greater role on the part of the JROC in determining which ACTD's we do and which CINC's we would assign those to. He is in complete agreement with that and has asked for our help. So the JROC will be very much involved as we prioritize those ACTD's and try to determine which ones have the best promise of supporting our warfighting CINC's.

Mr. KENNEDY. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

The gentleman from Texas, Mr. Thornberry.

Mr. THORBERRY. Thank you, Mr. Chairman.

I have somewhat the same concerns that Mr. Hefley expressed and that is that the diagrams look good but some of the practical application, I guess, from where I sit, I have more questions about.

Part of it, or a big portion of it is whether we have the resources or whether we are asking for the resources in order to do the job that is required. I notice under the planning guidance slot one of the points is, links national military strategy to defense program, and from where I sit, it looks like they are a long way apart on what our strategy is, what our requirements are, and then what the budget requests come out to be.

I realize that this is probably not a fair question to be asking you all because political considerations get into the decisions on what the budget requests are, but it makes me wonder, for example, can we fulfill our strategy of two major contingencies at this time?

Not too long ago, there were numerous press accounts of people expressing opinions saying we could not duplicate the Persian Gulf war again if required to do so. It does not take much digging around to see the strains that are being caused today by Bosnia and the resource requirements that are required to do that job properly. It also makes one concerned that if something serious breaks out somewhere else, could we meet it?

I guess I would like to ask, can we fulfill that strategy today, and second, to what extent do you all spend your time trying to make the most out of what we have versus trying to figure out what we need and focusing on the requirements and then what gaps are created if we do not get what we need?

General RALSTON. Yes, sir. Let me try that first. First of all, with regards to your question, do I believe that we can meet the national military strategy of two MRC's, my personal opinion to that is yes, with the force structure that we have. Our force structure today, I will tell you, is very busy. Having just returned from the field, our PERSTEMPO, our OPTEMPO is high, and that is true across all the services and across the National Guard and the Reserve components of our various services.

So there is not a lot of excess there by any means. It is very tight. But I do have to answer that I do believe that our current force structure will support two MRC's.

With regard to the second part of your question, we spend a lot of time on both aspects of that. What are our needs, and that is when we go to the CINC's, to the war fighters, to our war fighting commands to ask them what their needs are. We tried to work that through the acquisition cycle that I talked about, validating those mission needs statements, validating those operational requirements documents, making sure that they are, in fact, joint and that they are interoperable. That is one piece of it.

The second piece is, given that we do have a fiscal constraint, then how do you prioritize within that fiscal constraint? That is also a very important part of it. But I do not want to say that we do one at the exclusion of the other. We try to do both, and I would ask the other services to help me with that.

Mr. THORNBERRY. Let me follow up with just maybe a subpart of that. Do you then, if the fiscal constraints are such that you cannot meet the requirements, do you then report back up through the chain of command and say, here is what we cannot do because of the political decision that you made?

General RALSTON. Yes, that is true, and let me give you an example that we talked about at the very first here. Looking at the force structure that we have, the national strategy that we have to support, the JROC made the decision that in order to adequately recapitalize that force, we needed about \$60 billion. We took that to the Chairman of the Joint Chiefs. The Chairman of the Joint Chiefs took that to the Secretary of Defense, and I believe that is a positive example of how that goal was established.

Again, we can talk about how soon you can get there versus the constraints, but that was a case of exactly as you are talking about, where the services came together at the JROC, the JROC made that recommendation to the Chairman, and on to the Secretary of Defense.

General MOORMAN. Mr. Thornberry, I would just add, and it is not necessarily a JROC purview, but in our Vice Chiefs role, we participate. You commented on, can you meet the two MRC's? The Defense Department, the uniformed services particularly, have spent an awful lot of time in the last year and a half looking at readiness, a tremendous amount of emphasis on readiness against your ability to meet two MRC's.

In fact, the whole leadership of the Defense Department meets once a month in something called the Senior Readiness Oversight Council to assess that for all services. Then there is a joint readiness which is unique. We had not done that before. So we are tracking that on a monthly basis with quantitative methods and whatever.

There are areas, and General Ralston mentioned that we have a tremendously high OPTEMPO. There are specific areas where we have reduced OPTEMPO, for example, on particular weapons systems, because of the strings on our people. Then we have tried to turn around in the POM process, and you all have helped us out, for example, in reconnaissance, to get more force structure.

So my purpose of raising that is there is a terrific amount of emphasis on readiness to meet two MRC's at this point.

Mr. THORNBERRY. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Sisisky?

Mr. SISISKY. Thank you, gentlemen. I was not going to mention the carrier except that my friend down here mentioned it. I remember the Bottom-Up Review where they said, and they were very honest, we may not be able to put a carrier in a given area maybe 1 or 2 months. Now I am hearing we are 5½ months. We cannot even get money for CVN-77 yet out of the Navy budget, which I deem pretty important for a couple of reasons which I will not go into now. But it seems to me that you ought to look at maybe the 13th carrier, not the 12th carrier.

And I understand what the Air Force has done and I applauded the Air Force when the Secretaries were in there with landing in Jordan to back up the Mediterranean, and that was a good move, but I am always frightened of depending on foreign countries to house us with the rules and regulations. We know some of the things in the past that happened.

But I just think that you ought to be looking at this, and you mentioned OPTEMPO. I just heard last week that 58 percent of the entire U.S. fleet is at sea and on station there. How is that reducing OPTEMPO? You have the Army spread everywhere. The Marines are floating. I doubt very seriously when we closed the Soviet Union that we had that much of OPTEMPO that is going right now, all over this world, it is happening.

So I just think maybe you need to look at something like that, but the other thing that I really want to talk to you about, General Ralston, you mentioned, as everybody does, of saving money in privatization. There are serious concerns on my part of what is happening to the civilian part of the Pentagon. I have gone there. I have said it at every meeting that I could say, just that absolute privatization may not be the greatest thing and it may not be the greatest savings.

I was at a hearing the other day and they talked about the Norfolk Naval Base. They want to privatize the entire Norfolk Naval Base and I asked the civilian leadership, what in the hell do you think the base is there for? They said, "What do you mean?" I said, "It is war, w-a-r. That is what you guys are there for. You are to protect and defend against war."

But I use an example. As I understand it, the Military Academy at West Point in their doctrine teaches Napoleonic wars and somebody sent me a passage from that that Napoleon was surprised that the King of France had privatized all the teamsters, the guys that do the horse and buggy and carrier things. All of a sudden, he was not surprised because at the first cannon shot, they all jumped off their wagons and ran back.

Michelle Pfeiffer said the same thing in that movie with Robert Redford. He says, "What do we need to get married for?" She said, "What do you mean?" "We live together. We see each other all the time." She said, "I just want to legalize it." There is another line in there.

That is what worries me about privatization, and there are some things we can privatize. Our Readiness Subcommittee privatized things last year on a pilot basis. I am not opposed to that. But I am worried that if the military does not speak up, that this thing is going to be floating down all kinds of things in depots and everything else. I just think it is a mistake. There are certain things

that you can privatize, and sooner or later, I think the military is going to have to speak up.

The savings that you talk about—I will give you an example. Last week, we had the Department of Energy in here and they were talking about privatizing and what a great thing this is. I said, The huge contract that was let at Savannah River, I said, how many bidders did you have on it? One. There was one bidder.

I just get a little worried. They talk about the shipyards. I do not want anybody to have a corner on the market. The 60-40 split is a myth because you are allocating now rather than splitting, as you should be right now, to keep everybody, hopefully, alive.

But I would just hope that you realize that there are forces at work now to privatize everything. I said, go ahead and privatize the pilots on the Air Force planes. Let civilians fly on them and see how long they last. But I am serious about that and I am very concerned, not for my district, not for my State, but purely national security, and I mean that sincerely.

General RALSTON. Yes, sir, Mr. Sisisky. I do not believe that you would have any argument from anyone at this table here today. I believe that we all believe that there are things that you can do privatized that make sense, but there are an awful lot that you cannot. Of course, the real secret here is trying to figure out which fall into which category.

The CHAIRMAN. The gentleman added the other day, what if they go on strike after you privatize them? Where do you go from there?

Mr. Bateman.

Mr. BATEMAN. Thank you, Mr. Chairman. As someone whose highest attained military rank was one silver bar, it is quite an array of 20 stars that I am looking at, and obviously very impressive.

General Ralston, we certainly wish your tenure at the Air Combat Command had been longer, but we are very proud of the fact that you have been elevated to the status that you now occupy. We are sure that you will serve the Nation extremely well there, as you have in other positions.

Let me just express a sense of frustration that I feel from hearing your presentation, General Ralston. You laid out for us a very cogent, very logical process by which to inventory and determine the Nation's military requirements. The thing that is disturbing is as valid as the process seems to be, at the end of the day, something other than the national security parameters seem to be driving the equation much more than those considerations.

The request of your predecessor in JROC, Admiral Owens, is validated by the Chairman of the Joint Chiefs, but we are not acting upon that and we are clearly, it seems to me, forewarned that there are significant problems ahead for our services because we are not acting for it.

The gentleman from Rhode Island brought up the matter of the Navy's submarine program. While I have not been able to read it thoroughly, I have just been skimming through it, the report that was issued yesterday or last night on the Navy submarine program, a report mandated by the 1996 authorization bill, was a clear outline of what the program ought to look like.

The report, instead of submitting a fleshed-out option from last year's authorization bill on a program agreed to by the administration, by the Secretary of Defense, and by the Navy, was not funded in the President's fiscal year 1997 budget request. The report indicates that it is not funded and in terms of what I read in the report, we do not anticipate funding it.

If you want to fund it, you are going to have to do it but we are not going to include it within the defense budget. That, to me, is a very, very mysterious proposition and just one example of how your valid processes somehow do not seem to get implemented in the practical, real world where you translate things into.

What are the minimum requirements of the defense budget? Even to include something that the Secretary of the Navy, the Chief of Naval Operations described as their No. 1 priority? It was not in the fiscal year 1997 budget request. We now have the report and they are not saying, increase the request to reflect what is necessary to implement the program. They are saying, it is a valid program. We ought to have it, but we cannot fund it. It seems to me that as valid as this process is, we are not getting the right answers at the end of the day.

General RALSTON. Mr. Bateman, the only thing I can say to that is that we, all the services, have valid needs. There is no question about that. The part that we have to live with, though, is eventually someone establishes a top line of the budget and then what we fall back to is to do the best job we can to prioritize within that top line. I know that that leaves all the services short at times over what they would like to have, but nevertheless, the facts are at the end of the day, we have to meet that top line that is given to us.

Mr. BATEMAN. My quarrel is not with you at the table today. My quarrel goes, I think, to another level of the Defense leadership and ultimate decisionmakers. But if you believe what you tell us your needs are and it includes things as critical as some of the things not done and you ignore some of the very clear warnings you have given to us as to the consequences of further delaying and delaying and delaying the recapitalization of the Armed Forces, the danger signs are clearly there. I think it is going to be our responsibility to make up for the misjudgments that others are making in terms of the sizing of the Defense budget.

The CHAIRMAN. I thank the gentleman.

Mr. Gene Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman.

I am going to take a cue from the Commandant, and rather than my colleague out here who asked for \$5 billion at a time, I want to followup on an observation the Commandant made to many of us last year in December. When asked if he could have anything he wanted, he asked for \$50 million for Goretex uniforms for his troops.

I am just curious, has that acquisition been made? That would be my first question. And No. 2, is that something unique to the Marines or is that something that all the combat infantry folks in the Army are also seeking?

He also asked for the opportunity to kind of go around the acquisition process to speed things up, and again, I was curious if that had been done and if not, why not.

General HEARNEY. Sir, that money did go to individual equipment. That remains one of our priorities, as we mentioned earlier, to equip the individual Marine soldiers in the field because that is our core competency, our core capability that we will never ignore.

As far as speeding the process up, I think we would all like to speed the process up in all of our acquisition procurement programs and move them to the left, if at all possible.

Mr. TAYLOR. General Griffith, I am curious. Is that a standard part of the Army inventory? Why would the Marines need it and the Army not, or did you all have it already?

General GRIFFITH. I think the Army is in pretty good shape. The individual equipment that you are talking about is always something that we are concerned about, ensuring that we have an adequate stockage for emergencies like Bosnia.

But, for example, I will talk about the Bosnia deployment. We have ensured that all the soldiers over there have the very best of equipment, individual equipment, to include up to three sets. We have given every soldier three sets of thermal-lined boots because of the very harsh conditions, because of the mud, the snow, and so forth. We have ensured that we have given them the insulated undergarments. We have ensured that every soldier has the Goretex outer garments that you are talking about, in fact, two sets of Goretex outer garments.

So I am not sure if that is the difference between the Army and the Marine Corps, but I think that I could give you full assurance that we do not deploy soldiers anywhere without adequate individual clothing and protective gear.

Mr. TAYLOR. General Hearney, if I could follow up on that, I had a conversation with one of your sergeants from the 8th and I unit. He was telling me in December that a number of them were flown out to A.P. Hill, just sort of refresher training, and a cold snap went through and he was telling me how I think three or four members of his unit were frostbitten.

I am curious. Is that because of poor equipment or was it improperly used or had those uniforms not—it was strange that this took place within a couple of days of the Commandant coming to Ike Skelton's office and making that request.

And, of course, I can also understand that at this time, these people are mostly in a ceremonial unit and you want to send your best equipment to Bosnia and wherever the guys are on the front line, but I was just curious if something like that could be prevented in the future.

General HEARNEY. Obviously, we equip our forward deployed forces first with the best equipment. Then it comes down as you get farther away from the forward operating forces. You catch me off guard about the 8th and I. I live there. I have not heard that story from the commander, but I will certainly check on it. It is distressing to hear that we have three of our marines with frostbite in a local ceremonial unit that went to the field.

Mr. TAYLOR. But you are telling me that the \$50 million, the uniforms have been acquired and they are out in the field?

General HEARNEY. In the process of procuring, yes, sir, and we are very appreciative of that.

Mr. TAYLOR. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

In that connection, I might inform the committee I have been getting letters of thanks from marines and others, too, about the Goretex material we have been getting for them. It is good to know it is getting down there to those folks.

Mr. KENNEDY. Mr. Chairman, if I could just make a comment?

The CHAIRMAN. Yes, Mr. Kennedy.

Mr. KENNEDY. I would just echo what you said a moment ago and what Congressman Taylor said, that we ought to continue with that procurement. It seems like it is so important, as demonstrated out there in the field now, and the reaction that we have gotten, I know I have gotten, has just been incredible. I just know that we will continue on. I am glad that we did what we did last year and we will support the initiative to continue that in this next year's budget.

The CHAIRMAN. We are going to count on you doing that. We are going to be trying to do more of it, too.

Mr. Bartlett.

Mr. BARTLETT. Thank you very much.

I would like to follow up on the line of comments and questions of Sonny Montgomery, General Montgomery. The Guard and the Reserves, of course, are a very important part of our warfighting potential. There are obviously economies in having a part of our capacity there. I understand that for some areas, we maintain an individual at one-third the cost in the Guard and Reserve as what the individual would cost as a member of the regular force.

There are some downsides to this, however. Obviously, the training may not be at the same level so the fighting effectiveness may be down a little, and it takes some time to integrate.

In these days of tight budget constraints, how do we know that we have the right mix of Guard and Reserve to the Active Forces? Obviously, we could have a larger potential force if we had more in the Guard and Reserve, and you would trade that off against the time penalty for integrating the Guard and Reserve into the fighting force. You may have some detriment in effectiveness of training. How do we know that we have the optimum mix, and are we there?

General RALSTON. Let me try that first and then I would like to have all the services comment on that.

It is a very valid question. It is a tough issue. I do not know that we have it exactly right. There are a lot of factors that go into it, as you mentioned, the readiness, responsiveness part versus the cost. There is also the overseas basing issue. In the active force, we primarily send active people overseas. They have to have a rotation base to come back to in the States. If they do not have that, then you have a problem. You send the active folks overseas and they stay there forever. So that is part of the equation as you try to do that.

I will speak for my former service here. That works out to be about a one-third/two-thirds mix, because if you have a third of your forces overseas, you need to have a third of them in the Active in the States and another third in the Air National Guard or the Air Force Reserve. That seems to work pretty well in terms of the dynamics of being able to support that force. That is not the only

measure of merit, but that certainly is one of the major factors that goes into it. I would like to have the other services comment on that.

General GRIFFITH. Sir, I would never suggest that we are optimal. I do not think we are that good to figure out precisely what is correct. I would tell you that at least within the Army, we have worked very, very hard to try to ensure that we have the right mix and that we are using our Reserve component forces appropriately, and I will give you a couple of examples.

Earlier, we talked that we came out of the gulf war with at least the Army was convinced that we did not have enough artillery. We did a major study, a lot of senior former general officers, to include General Schwartzkopf, participated in that study. We determined two things. No. 1, we did not have enough artillery, and No. 2, that this was a skill and a function that was very well performed by the Reserve component forces. We had two National Guard artillery brigades in the gulf war.

We have moved to a larger artillery force in the Army. Seventy percent of that force is in the National Guard. As I mentioned earlier, we are putting air defense—we think that the air defense, a single-function area like air defense is a skill that can be taught more readily in the limited training periods that the Reserve components have and it is a skill that we can rely on our Reserve components to provide for the force. On the other hand, maneuver we think is a different issue, and so we depend less on the Reserve components for maneuver.

So I would say that our efforts have been to ensure that we have a blend that capitalizes on the strengths of the various components of the force. We think we have it pretty close to right.

I would also just mention that when you look at the ability to get to a theater quickly, I think we would all agree that you need a level of Active Forces to do that. If we are going to deploy Reserve component forces quickly, it has to be in those skills that can be practiced and learned in a more limited training period.

Transportation units, we envision deploying transportation units from the Reserve right out of their home stations right into the theater. We envision with our artillery and air defense, probably a period of 2 weeks to 30 days of training prior to deployment. When you get into the maneuver forces, then you are talking 90, 120 days.

Again, I would not suggest it is perfect or optimal, but I would suggest that we have thought about it a great deal and I think we are comfortable with how we are using the Reserve components in the Army, sir.

General HEARNEY. Sir, in the Marine Corps, under the base force, we were on the way to 39,000 reservists. Thanks to Congress, we were leveled off at 42,000. We have what I would call now a reasonable mix of ratio of Reserves to regulars. The Reserves are fully integrated in a total force approach. They are being used time and time again.

Is that exactly right? I think it is a bit early to tell. We will have to go down the road a bit to see if that is the correct number. But at this point in time, we certainly do not want to go lower than that with the commitments that we have for the total force.

Admiral JOHNSON. And I would say from the Navy, sir, that we probably are not at optimum mix right now. I am not sure what that is, but the strength of the way we are operating now in terms of the one force total force, as you have heard articulated already, is that by working together every time we operate, which is the way we do it now, we iterate the process in such a way that we get better and make the contributions that the Reserves have more relevant to the operational forces today.

So I think there is real merit in the way it is being done right now and we have changed a lot of the Reserve component mission mix to make it more relevant to the requirements today. We are probably not there yet, like everybody else, but I think the way we are working together lends itself to making it much better than it has ever been before.

General MOORMAN. Sir, General Ralston spoke a little bit to the Air Force and the total force. One thing that you mentioned that I picked up on was the idea of training and how quickly we can integrate and whether that was a factor in whether you employ the Guard and Reserve versus the active.

In the Air Force, we now have gone to a model wherein we evaluate the Guard and Reserve activities with the same people to the same standard. So it gets back to a transparent activity in the Air Force. Our IG's come in and look at them and test them the same way we do the active.

On the other hand, I would echo what the rest of the folks at this table have said. I would not say that we are absolutely at the optimum because I have seen in the last 5 to 10 years a lot of fluidness. That is, we are constantly evaluating that mix and that mission mix. One of the things that I would point out in the Air Force, at least, is we see more missions gravitating to the Reserve and the Guard and I think that is very healthy.

Mr. BARTLETT. Thank you very much. It certainly stretches our few dollars and makes them go further, the extent to which we can use them effectively. Thank you very much.

The CHAIRMAN. The gentleman from Pennsylvania, Mr. McHale.

Mr. MCHALE. Thank you, Mr. Chairman.

Mr. Chairman, I regret that my friend and colleague, Mr. Taylor, had to leave prior to this moment. He asked some superb questions earlier regarding the Goretex equipment and the frostbite casualties that had been brought to his attention.

If Gene were here, and for the record, I will insert this, just a few days ago, I spoke with Col. John Sattler, who is the commanding officer of the 2d Marine Regiment. That regiment has received some of that Goretex material and it has been well utilized and deeply appreciated by the marines in Colonel Sattler's regiment.

They just came back from over a month at the Mountain Warfare Training Center at Bridgeport, CA, where in extremely rugged conditions, often approaching zero degrees, at altitudes of about 7,000 or 8,000 feet, for over a month, they used that Goretex equipment, and John told me when I talked to him that he came back and not a single marine in that period of time experienced any frostbite casualty.

I think that is an extraordinary record, and as General Hearney follows up on the instances brought to his attention, I think it is

important to recognize that largely as a result of the efforts undertaken by Mr. Kennedy on this committee, we are able now to deploy a large number of marines and soldiers to the field, take good care of them despite harsh conditions, and bring them home safely. I think Colonel Sattler's regiment is a prime example of that.

General Ralston, I read through your testimony and I am going to give you a challenge that no one else has been able to meet. Try and make me smart, if you would. I read through your testimony and on page 3 it indicates that the JROC assists the chairman of the Joint Chiefs of Staff by overseeing the joint warfare capabilities assessment process and reviewing all JWCA findings and recommendations. On page 6, significantly, you state, "We expanded the JROC's focus beyond merely acquisition-related oversight to assessments of our joint warfighting capabilities in ten distinct areas," and you go on to list them. Then finally, on page 9, "The JWCA process examines key relationships and interactions among warfighting capabilities to identify opportunities for improving joint effectiveness."

As I read through your testimony, I got a pretty good feeling for how that operates at the flag and general officer level. How does it operate at the muddy boots level? When we have an integration of joint warfighting capabilities, how do you assess at the operational level how well it is working?

I will give you a quick example. Last year, I was in the field with a marine unit where F-14 Tomcats were brought in in a close air support mission. I spoke with a marine colonel last year who was deployed with his regiment, a portion of his regiment, and Air Force jets were used in close air support of the maneuver elements within that relevant and there was some understandable operational frictions in terms of differences as to how the two services operate.

My question to you is, How do you examine in the field how well a joint operation has been conducted? Do you have a systematic approach down at the operational level to determine whether or not a joint warfighting capability really works?

General RALSTON. Yes, sir. Let me try to answer that this way. As you well know, for every exercise that we have, there is a lessons learned process that you go through, the hot wash and so forth, and these lessons learned are forwarded up through the components to the CINC's and then to the Joint Staff. Within the Joint Staff, for example, our J-7, one of their tasks, and they have a division there that maintains the lessons learned from all of our joint exercises and each one of those is scrubbed and the J-7 is an integral player on these JWCA teams, both at the action officer level and at the flag officer level.

In addition, the CINC's are involved in these JWCA processes that we have. So CINC ACOM or CINC PACCOM would have a representative out there and any problem that they determine through one of their exercises or through a real-world operation, and we have enough of those going on right now, is, in fact, documented and fed back up through the process to us.

Mr. MCHALE. Are you satisfied that that flow of information really works effectively? I do not presuppose the answer to my question. My concern is that there might be a theoretical discussion at

a flag or general officer level that is not concretely linked to what is happening in the field.

When you talk about the lessons learned, are you personally confident that the information coming back from the field, when an F-14 is used in close air support, is someone really looking at that? When a B-1 comes in in support of a regimental maneuver element, is someone examining that? When we deploy a unit overseas and Marines are not working with Marine fighter pilots but, in fact, Air Force fighter pilots in an attack mode, are we really looking at those operational exercises to draw from them in an effective way the lessons learned, and are we communicating those lessons learned back up to the policy makers who then debate the options?

General RALSTON. Let me say that I personally believe that certainly the vast majority are. I will not tell you that 100 percent of all the things that we should know about, we know about at this level. But I do believe that the process is in place to do that and I have personally witnessed examples where we have made decisions at the very senior levels to make changes in our equipment.

For example, close air support, in our doctrine we want to make sure that the Marine fighter pilot, the Navy fighter pilot, the Air Force fighter pilot, and the Army troop on the ground who is going to receive that close air support are all using the same format, the same standards. That is one of the things—I talked about Link 16 earlier—that is one of the things that has led all the services to embrace that as a common means of communication.

Mr. MCHALE. I am encouraged by your response and I am absolutely certain that it is accurate. I have some friends in the various services who do not all have four stars, and when I am talking to the colonels and lieutenant colonels and the majors and the captains, I sometimes hear a friction that I hope comes up to your level so that the real-world challenge of integrating our services comes to your attention in the context of actual operations, that it is not just a theoretical examination.

Mr. Chairman, I think General Hearney has a comment and then I will obey my red light.

General HEARNEY. Sir, I assure you it is not theoretical at all and we are working those problems.

Mr. MCHALE. Good.

General HEARNEY. General Ralston gave you the example of Link 16. You can put that in terms of a common battlefield picture that we are trying to build across the services, to include Link 16, the combat identification, no matter what service it is. It takes a bit of time, though, to put those programs in place so that muddy boot actually sees the result. But I assure you that it is being addressed and we are putting programs in place to ensure that.

Mr. MCHALE. Gentlemen, I am encouraged by your responses. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

Mr. Buyer.

Mr. BUYER. Thank you, Mr. Chairman.

I think my colleague from Pennsylvania's questions are very good. Trying to figure out the inner workings of the Pentagon has been a challenge of mine for the last 3½ years. I am almost kind

of reminded of the story—you guys probably have heard this before—I will pick on the lieutenant colonel down here for a moment.

This new lieutenant colonel goes over to the Pentagon and he is fresh out of the field, never been to Washington, DC, before, just loved being in the field. They wanted to put him in the Pentagon before they sent him as a legislative liaison. So his first week in the office, he is just going nuts. He does not have much hair left, but he is pulling out what hair he has.

Mr. ABERCROMBIE. I know the feeling.

Mr. BUYER. You know the feeling? Well, he cannot grow a beard.

So the following week, he takes his desk out of his office and he puts it out there with his aides and assistants and he is still going crazy.

The third week, he moves his desk and puts it in the hallway and he is still going crazy in the Pentagon.

The fourth week, he takes his desk, and lo and behold, it is now found in the men's restroom. All of his colleagues and peers and superiors are pretty worried about this young, fresh lieutenant colonel, fresh out of the field, but they decide not to really confront him but to send the psychologist down to go talk to him.

So the psychologist goes down and he knocks on the door of the restroom and said, "May I come in?" He said, "Yes, you can come into my office." He said, "You know, there are a lot of people here in the Pentagon who are very concerned about you, Colonel, and I have to just come out and ask the question. Why have you moved your office here to the men's restroom?" And he says, "Frankly, sir, this is the only place I have found where the men thoroughly know and understand what they are doing." [Laughter.]

Now, the only reason I said that is I want to make three points. I was here during Sonny Montgomery's questioning and I heard each and every one of you say that you are going to look out for the Guard and Reserve, yet I participated in a hearing where the Guard and Reserves involved with the Laughlin bill saying, I have to move to three stars so I can gain access to different meetings because if I do not gain access to certain meetings, we do not get taken care of when they are divvying out the money.

So No. 1, I have a disconnect.

I am also faced with another disconnect as I sit here on this committee and that is, General Ralston, you say that—and as a matter of fact, the rest of the table nodded their head with regard to the \$60 billion as a goal and that BRAC and streamlining the process will not get you there with regard to your needs of procurement. The huge disconnect between what your needs and your goals are and that of the budget that has been sent over here, and that of the Chairman of the Joint Chiefs of Staff and what his needs are and what a disconnect.

General Griffith, when you say to this committee with regard to modernization that the budget is substantial, do you mean that which budget has been sent over to us or that of the goal? I want you to please explain the disconnect to me.

The third point I have to make is with regard to General Krulak. He comes over here and he testifies with regard to procurement and says that the buy rate of the V-22 is ludicrous and dangerous.

Now, Admiral Johnson, you take care of the Naval aviation assets for the Marine Corps, right?

Admiral JOHNSON. Yes, sir.

Mr. BUYER. So I want you to explain that to me, why the Marine Commandant is going to tell us that that procurement rate is ludicrous and dangerous—those are pretty powerful words—and if, in fact, it is, then it needs to be corrected. So please do not tell us here on this committee that everything is hunky-dory and fine if, in fact, there is a problem.

I am sure the Commandant of the Marine Corps has been catching some grief with regard to that comment, but let me stand here and congratulate him with regard to the courage of his honesty with the committee. We are not your enemy, guys. We are your friends and we want to be helpful with regard to the needs.

I will turn it over to you.

General GRIFFITH. I will be happy to respond. I think what I said, Mr. Buyer, was that the commitment that the Army has made to modernization of Guard and Reserve is substantial. I stand behind that, sir.

As I can demonstrate, I think, and I think that my colleagues from the Reserve components would agree, the Army has made a very determined commitment to put modern artillery systems, the Palladin, the most modern artillery system we have, into the Reserve components and we are going to have that done by the end of the POM.

The active Army is taking out of our own structure air defense Avenger units to the corps and we are putting those into the National Guard. We think by the end of the POM we are going to be able to ensure that all of the obsolete air defense systems in the National Guard are removed, that the Hawk is gone, that the Chaparral is gone, and that the air defense units of the National Guard are going to be equipped with Avenger units.

I think every armored—I may be wrong in this, but I do not believe I am wrong—I think every armored brigade in the National Guard today has Bradley fighting vehicles and Abrams tanks, and I think most of those Abrams are the M1A1 Abrams, the 120-millimeter gun Abrams.

So I think that the modernization of the force is—and I would not disagree that we are certainly not optimal. We certainly have needs. I would not disagree with that. But I would say that I stand by my statement that the Army has made a commitment to modernize the Guard and Reserve to the fullest extent possible and that modernization is and will continue to be substantial.

General RALSTON. Let me try to address your second question, the apparent disconnect between our goal and the budget. I think, sir, that we have tried to say that in order to adequately recapitalize the Bottom-Up Review force structure that we have, that we need about \$60 billion a year.

We would like to get to that \$60 billion a year procurement sooner rather than later, because the longer you delay in getting there, then you are going to age your force that much more each year. We have made that point clear, as clear as we can, to the Chairman of the Joint Chiefs and he has forwarded that recommendation up to the civilian leadership.

As you know, we probably are not getting to that \$60 billion as rapidly as we would like, but all we can do is continue to make the case for the recapitalization of the force and to try to get there as soon as we can.

Mr. BUYER. What is so difficult for us on this committee is when you say the budget is substantial. We recognize that there are deficiencies and we talk to commanders out on the field. Then when we try to come up with a plus-up to meet the needs of the ones in the field, it is exactly what the chairman said. Then we get accused of providing pork and then they try to seek some connection with regards to, gee, is that because there is a defense contractor in a district?

I just want to share that with you. It is a dilemma. You deal with some real factual dilemmas. We deal with them, too. But the nice thing about this committee, even though the Congress can get partisan at times, with regard to this need in the force and putting them out there, the commitment is pretty real.

General RALSTON. Yes, sir.

Mr. BUYER. So we want to be helpful to you on that. If you can help me there with the buy rate?

Admiral JOHNSON. The V-22 buy rate is a concern to the Commandant. I roger that. He articulates it very well. I would just tell you, sir, that to accelerate that buy rate would become an affordability issue for us, that when you look at the rest of the things that we have on our plate that are very important to the Navy Department, we think that where we are is roughly as good as it can be right now.

Can we accelerate it? Sure. Does it take more money? Yes. It would take \$95 million in RDT&E money to accelerate it for next year and I would just tell you right now we have not found that money.

Mr. BUYER. So if I can read between the lines, in order to satisfy what the Commandant of the Marine Corps sees as a ludicrous and dangerous buy rate for the V-22, you are unprepared in Naval aviation to shift any monies to take care of that which may be dangerous to military readiness and would be looking to the committee to help out the buy rate of the V-22 to stabilize combat readiness?

Admiral JOHNSON. Your words, sir.

The CHAIRMAN. That is helpful.

Mr. BUYER. Thank you very much.

General MOORMAN. May I speak to your Reserve question? That seemed to be the only one that was not touched. If I got the tense of your Reserve question, Mr. Buyer, it was that the reason that that act had recommended the promotion of the Guard and the Reserve folks was to get a higher level of influence and get a seat at the table, or words to that effect.

I can only speak for the Air Force, but my sense is from an Air Force perspective, we do not support the promotion from that perspective because the Guard and the Reserve folks are already at the table and fare very well. On the other hand, the Guard and the Reserve in all of our services are getting an increased piece of the pie and an increased level of action and responsibility and it is for that reason that the Air Force supported the increase in rank structure.

Mr. BUYER. The other services could learn a lot from the Air Force with regard to integration. Thank you.

The CHAIRMAN. Thank you.

The gentleman from Hawaii, Mr. Abercrombie.

Mr. ABERCROMBIE. Thank you very much, Mr. Chairman.

General Ralston, on page 3 of your testimony, the second element which you list about assisting the Chairman of the Joint Chiefs, and I am quoting, "considering alternatives to any acquisition program that has been identified to meet military requirements by evaluating the cost, schedule, and performance criteria of the program and the identified alternatives." I do not want to take that out of context, but I want to establish that as the principal element of my question.

Then taking into consideration that which was provided to us to what JROC does, a mission needs statement, key performance parameters—this is in the acquisition process, trying to keep that in mind.

Then moving to and implementing change, your recommendations then go to the Chairman to assess military requirements for acquisition programs. Am I right so far?

General RALSTON. Yes, sir.

Mr. ABERCROMBIE. I am not trying to trick you into anything.

General RALSTON. No, sir.

Mr. ABERCROMBIE. I am just trying to make sure that I am absolutely on target with what you are supposed to be doing and the principal objectives that you are trying to achieve.

Then under our diagram here where the process continues, one of the principal warfighting requirements and capabilities assessed is focused on joint warfighting, right?

General RALSTON. Yes, sir.

Mr. ABERCROMBIE. The reason I am asking that has to do with a further contextual observation, if you will grant to me. This comes from the background of the material provided to us with your statement. I do not know if you have seen that material or not or if you have that material.

This is provided by the committee, and I am quoting again. "Under the enhanced JROC, the Chairman provides two principal inputs to the budget process. At the beginning of the cycle, the Chairman's program recommendation, CPR. This document is prepared providing his advice on priorities that should be observed in the formulating of the upcoming budget."

And then continuing to quote from the background material, "Toward the end of the budget cycle, a Chairman's program assessment, CPA." CPR, CPA. "A document is issued which assesses compliance with the resulting budget proposal with the CPR priorities."

"This process," again quoting, "was not fully in place until late 1994. Last year was the first full cycle subject to these procedures."

Are we in agreement on these points, that you have responsibility in this area?

General RALSTON. Yes, sir, I believe we are.

Mr. ABERCROMBIE. Part of the argument, not necessarily today, but part of the discussion taking place in the committee has to do with whether or not there is a shortfall in the expenditures that we will budget, that we will authorize with respect to acquisitions.

Figures are cited up to \$60 billion in acquisitions—newspaper articles, reports, classified and nonclassified are utilized. Generally, there can be a political connotation assessed to all of these things.

The reason I am asking these questions is just recently, I was somewhat dumbfounded to hear that a bill had been submitted commonly called the Dole-Gingrich bill. I am not citing that for political purposes. That is the way it is reported. It has to do with national missile defense.

Now, I will not comment on either Mr. Dole or Mr. Gingrich's capacity to be involved in submitting such a bill, but I will be frank, and the chairman knows this and Mr. Hunter knows this, had Mr. Hunter and Mr. Weldon's name been on the other end of that bill as far as the House was concerned, I would be more sanguine as to what its purpose is.

But as the chairman and Mr. Hunter are also well aware, I have had my doubts about a national missile defense in the context of the joint warfighting capacity and the expectation that the services will work together wherever possible to, and I am quoting from some background that we have now, "to identify weapons systems they deem necessary to support their functions and to engage in mutually supportive efforts to avoid unnecessary duplication of effort and that the expanded JROC has evolved to mitigate undesirable aspects which may appear in the process of attempting to do this."

My concern is that I am unable to find, and I would like you to tell us, if recommendations have come from the Joint Requirements Oversight Council with respect to a national missile defense expenditure or acquisition in this budget cycle and whether or not in the context of the assessment of requirements and the mission needs statement and so on, the bill that I am referring to was developed in conjunction or in consultation with you in this process with respect to national missile defense system acquisitions proposal.

General RALSTON. Sir, I am unable to comment specifically about the bill because I am personally unaware of any discussions along those lines.

Mr. ABERCROMBIE. OK.

General RALSTON. But I am familiar with what I believe is the thrust of your question there. The JROC did deliberate with regard to missile defense, both theatre missile defense and national missile defense. The JROC did make recommendations to the Chairman of the Joint Chiefs and the Chairman of the Joint Chiefs did make recommendations with regard to that to the Secretary of Defense and that was included in the budget.

Now, with regard to the specifics of that, I would like to defer that to General Hearney, who was there for the discussions at that time.

Mr. ABERCROMBIE. General, before you answer, because I see the light is on and my time essentially is up, the main thrust of what I am trying to accomplish here, with all respect for the process that you have to follow, I am trying to figure out whether or not in the context of this discussion taking place in the committee, and it is a bipartisan discussion, it is not one conducted in a confrontational way at all, is whether or not the presentation made by the Sec-

retary of Defense and others to us about the DOD's recommendations with respect to missile defense, theatre missile defense, et cetera, is an accurate reflection of what you concluded in the context of those general premises that I outlined?

General HEARNEY. Sir, we discussed specifically the theatre missile defense in great detail in the JROC process, and we can lay that out for you and take the record and go through that. But in general terms, in the development of, as you mentioned, the CPA in 1995, it was recognized that we had to come to grips with an affordability of the numerous systems that were being put forward and that was done in this recommendation process that we just went through.

We looked at those numerous systems, prioritized them, the JWCA, joint requirements capability assessment, did an independent study on that. And we went through a neck-down prioritization process and that is what has come up and that is what we have heard from Dr. Kaminski.

Mr. ABERCROMBIE. So is it an accurate statement, in conclusion of my portion here, that the recommendations with respect to joint development and with respect to theatre missile development, interservice development and the theatre missile development, is an accurate reflection of what you recommended? Is what came out from the DOD—

General HEARNEY. What came out, sir, is that we recognize that there was a—the short-term or short-range theatre missile was a—

Mr. ABERCROMBIE. A top priority?

General HEARNEY. A here and now priority, and that was the No. 1 priority that we came up with and that should be addressed now.

Mr. ABERCROMBIE. OK.

General HEARNEY. The upper tier was one that could slide down the road just a bit, but we had to fix the short-range first, and that was the No. 1 priority, and it is a cross-service approach.

Mr. ABERCROMBIE. Thank you very much.

Thank you for indulging me in that, Mr. Chairman. I appreciate it.

Mr. HUNTER. Would the gentleman yield for just a second?

Mr. ABERCROMBIE. I do not have the time, but if the chairman will be indulgent further, I will be happy to.

The CHAIRMAN. It is Mr. Hunter's time anyway coming up.

Mr. HUNTER. I will take it on my time.

The CHAIRMAN. You are recognized, Mr. Hunter.

Mr. HUNTER. I was trying to steal some more time here, Neil.

Thank you, Mr. Chairman.

First, I think the bill that the gentleman mentioned is basically a repackaging of "the national missile defense shall deploy by 2003" language that was in the bill that was passed by both Houses and that was part of the veto justification or veto message. It was included in the President's veto message. Because of that, we repackaged it after the bill was scaled down to get it back through and past the President's desk, and so they put that back together and are running it through in another form. It goes basically to the political decision as to whether or not you deploy a national missile defense.

Let me just ask one question on the theatre defense. General Luck, who was the commander in North Korea, who was not happy with the decision to delay full development and deployment of THAAD because he was counting on getting some early THAAD systems in South Korea, he sent a cable to that effect to the Joint Chiefs. Are you up to speed on that, General?

General HEARNEY. We ran it through all of the warfighting CINCs, the service chiefs and the chairmen, and the recommendations went up through that chain.

Mr. HUNTER. If you had the money, do you think that General Luck's concerns should be addressed, and we should get that as fast as possible if you were not constrained dollarwise?

General HEARNEY. Sir, if we were not constrained dollarwise, there were probably a lot of things we would like to do.

Mr. HUNTER. Good; let us stick with that one for a second.

General HEARNEY. Sir, we would take that back in and review it on how that would fit into the prioritization process.

Mr. HUNTER. So you would tell him that would give him another look, but you are not convinced that he needs it?

General MOORMAN. Can I touch that?

Mr. HUNTER. Sure.

General MOORMAN. If you will yield to me, Rich.

Mr. HUNTER. I mean, it is kind of rare to get a theater commander on a specific weapons system sending a cable saying please do not kill or slow down that system. Now, the whole theory of JROC is that you are sensitive to the needs of people in the field, so I just wondered—

General MOORMAN. What I wanted to add sir, because it is not clear to me—and I will be frank with you; I have never asked General Luck directly—but there is a capability that can be available to General Luck. It is the prototype system of THAAD, the so-called UOEAS, and that is a system that would give him some protection against what he has. I am not sure that that was made clear to him.

Mr. HUNTER. You may want to review that and maybe get us a better or more extensive record. But let me ask staff to pass out for you four little sheets that I have here. They are called Procurement Budget Authority, current billions, fiscal year 1995 budget, fiscal year 1996 budget and fiscal year 1997 budget, and those, of course, were the 5-year and 6-year budgets that were submitted by the administration, in which they, of course, talk about the out years. And the fiscal year 1997 budget, in 1995—and this goes right to what Admiral Owens talked about when he talked about the fact that we prophesied in 1994 that procurement would be at \$63 billion. Of course, what really happened was it went to \$48 billion, but we all thought it was going up. In 1995, it was going up to \$55 billion, but in fact, what really happened was \$46 billion. And he goes on down to the bottom line, which is we have got to stop promising ourselves and start doing something.

So you have got those three budgets in front of you. The procurement line is for fiscal year 1997. In fiscal year 1995, President Clinton had it at \$49 billion. In fiscal year 1996, it went to \$43 billion, and in fiscal year 1997, the moment of truth, it is at \$38.9 billion. Let me just ask you from your professional perspective—not

from a political perspective or a top-line constraint; from your professional perspective in terms of what we need for our Nation's military, which of those three budgets do you prefer with respect to the 1997 and 1998 lines particularly? Could you all examine that?

General RALSTON. Yes, sir; let me start with that. And as I think I had tried to say before, we are convinced that we need about \$60 billion in procurement. We would like to have that as soon as we can get it.

Mr. HUNTER. So how does that lead you to answer that question?

General RALSTON. Then that says that the line that is labeled fiscal year 1995 gets us there sooner than the one labelled fiscal year 1997. So from that perspective, I would prefer that.

Mr. HUNTER. You would like the 1995 better?

General RALSTON. Please do not put me on record as advertising the 1995 budget.

Mr. HUNTER. I understand; no, we are asking you—

General RALSTON. But I would have to step up and say, yes, sooner is better than later.

Mr. HUNTER. We are asking you from your professional military perspective, which is what you bring to the table, and your honesty is appreciated.

General Griffith.

General GRIFFITH. First, we have said the goal is \$60 billion for procurement.

Mr. HUNTER. Which of those three do you think is preferable, then?

General GRIFFITH. Sir, obviously the line on the 1995 President's budget gets you there quicker.

Mr. HUNTER. General Hearney.

General HEARNEY. Sir, there is no question that the 1995 budget gets you there sooner.

Mr. HUNTER. Admiral Johnson.

Admiral JOHNSON. Yes, sir.

Mr. HUNTER. Which one do you like best?

Admiral JOHNSON. We want to get to \$60 billion as soon as we can, so in that regard, the 1995 is the one.

Mr. HUNTER. General Moorman.

General MOORMAN. Same thing, sir.

Mr. HUNTER. I have got, Mr. Chairman, some more questions that I would like to ask if we can go to a second round. And I understand that our time is up, but I have got a series of questions with respect to specific systems and your interaction with the services on those systems we would like to submit for the record if we do not get a second round, but I do have some more questions, Mr. Chairman.

Thank you, gentlemen.

The CHAIRMAN. Thank you.

If I might, we were talking awhile ago about the high tempo, and we are strung out all over the world, all of the services are full speed ahead, and we are right down on the line. What if we laid on two MRC's on top of that? Something has got to give, has it not? Can we do all of those kinds of things that we are doing now and two MRC's?

General RALSTON. No, sir, Mr. Chairman. In my view, we could not. One of the premises of the two-MRC strategy is that you could not conduct all of the things we have ongoing around the world today simultaneously with that. The force would be sized for two MRC's and two MRC's only. That is my opinion. I invite the other Vice Chiefs to comment.

The CHAIRMAN. Does anyone want to say anything? I was just wondering, because I thought the same thing, you know, which means that if something did happen right now, and we had to go to that strategy, backing up that strategy, at least, these other things have got to go by the board, including the problems with Bosnia and China and all the rest, I guess. But anyway, that is another question.

Mr. Taylor, I think, wanted to ask another question.

Mr. TAYLOR. Thank you, Mr. Chairman.

I do thank you gentlemen for sticking around. I am going to ask three questions, because I only have 5 minutes. Answer the ones you want to.

Getting back to the ballistic missile defense, the question is not in an ideal world if you could have everything you want. The question is given the funds we have, what is the proper amount of money to allocate toward that when there are so many other needs, in your minds?

The second thing is along the line of trying to save some money. As I visit bases, I am amazed at places like Guantanamo and Saudi Arabia during the gulf war and even Naples, Italy, where the Navy is renting that hospital to the tune of about \$4 million a year, how we often have to rely either on outside sources or the local economy for things as simple as barracks, hospitals. Has your group looked into the possibility of floating hospitals, floating barracks, floating housing as we ramp up in places like Guantanamo only a few years later to tear those things down or in the case of Panama, rather than building something and having it revert to the host nation, take it with us when it is time to go?

The third thing is that it is my understanding that the chiefs will be coming to us again this year asking to purchase some foreign-built RO-RO ships, I think for the Marine Corps, to have them converted in an American yard to fill your immediate need for sealift. Has your group looked at either a lashed-type barge or even a single-hulled ocean-going barge made to roll-on/roll-off specs, capable of carrying an M1-A2 or whatever you need to carry and then either relying on commercial ocean-going tugs to move it around or having some Army tugs dedicated to that purpose? If the ship is going to spend 99 percent of its time at the dock, would it not make sense to save on the cost of all of that propulsion equipment? And since our Nation is very competitive on things that are, as a rule, 600 feet and smaller and particularly competitive internationally in ocean-going barges, why not try to play to our strengths rather than continually buying things where we have not done too well, which is RO-RO ships? Three questions.

General RALSTON. Let me take the first one, if I may.

Mr. TAYLOR. Sure.

General RALSTON. And if I understood your question correctly, it was with regard to ballistic missile defense, given the dollars that

we have got, our priorities. And from a JROC perspective, when the JROC looked at a combination of threat, technology, and resources, it was the collective judgment of the JROC to make a recommendation to the Chairman that prioritized the way that the Chairman recommended to the SecDef and the SecDef put it into the budget. So I believe what you see in the 1997 budget is consistent with what the JROC recommended to the Chairman given those three factors.

Mr. TAYLOR. Rather than waste time calling the roll, can everybody either shake or nod or——

General GRIFFITH. I would just like to add that the discussions we had on theater missile defense are precisely, sir, as you described it. It was in a framework of a TOA, of a total budget, and it was our assessment that within that framework, within that context, that we could, in fact, scale back some on the theater missile defense commitment in terms of dollars to apply to other needed capabilities. And the framework you describe is precisely the framework in which we had those discussions.

Mr. TAYLOR. Thank you, General Griffith.

General RALSTON. I would like to defer the second question to someone who was involved in that, Tom or you or Ron, this is on the floating hospital and floating housing.

General GRIFFITH. I think we have got an ACTD. You are talking about the mobs, I believe?

Mr. TAYLOR. I know, for example, you are building two barges at this time for the Navy for barracks barges. My question is have you considered, given the experience in the Philippines; given the experience in Panama, where many of the buildings that were built at incredible expense were turned over to the host nation, in the case of the School of the Americas only to be looted and left behind, has much thought been given to as often as possible at seaside facilities having a floating facility so that if our host asked us to leave, we could just take it with us? I mean, your budget is tight. I know you get tired of building the same thing in every country you visit only to leave it behind.

Admiral JOHNSON. From a JROC perspective, Mr. Taylor, I would defer that to my colleagues. But from a service perspective, I would tell you that we have indeed looked at that, and as you have mentioned, we have some barges that we have built. We have used other means, for instance, when we had the operation going on in Guantanamo, the refugee operation, as you are probably aware, we used cruise ships as barracks ships, essentially, and so we have that in our scan. Beyond that, in terms of concrete programs, I would be happy to give you something for the record, sir.

Mr. TAYLOR. And the third question was on the thought of instead of purchasing RO-RO ships, the possibility of looking at ocean-going barges built to a RO-RO configuration, the idea being that rather than tying up all your money on a power plant that is not going to be used more than 2 or 3 percent of the time—and again, since we are competitive internationally in building ocean-going barges, I have got to believe that you would get a heck of a value. Have you even looked at that?

Admiral JOHNSON. Yes, sir; I think that has been looked at. My initial reaction to that would be one of concern with timeliness in

terms of getting it there when you really need it. But beyond that, I would have to defer in terms of what the JROC has—

Mr. TAYLOR. My last thought is in particular for your prepositioned things. If it is just going to sit there anyway—again, I am just asking you to take a look at it.

Admiral JOHNSON. Yes, sir.

Mr. TAYLOR. I think you would save some money.

Admiral JOHNSON. OK.

Mr. TAYLOR. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Hunter.

Mr. HUNTER. Thank you, Mr. Chairman.

With respect to your prioritization of theater missile defense, I presume that is based on the President's \$38.9 billion procurement budget and his total Defense budget that has been proposed this year; is that right? That is not presuming any add-ons by this committee in terms of dollars; is that right?

General GRIFFITH. Yes.

Mr. HUNTER. Will the record reflect that General Griffith did not on that one?

General GRIFFITH. Again, I am not trying to equivocate on this thing. But the point that I would make to you is that the context of those discussions, the context of that decision, to make that recommendation was based on fiscal realities as we envision them to be and based on looking at where we most needed dollars to meet most critical needs.

Mr. HUNTER. General Griffith, I am saying exactly the same thing you are saying. Now, last year, you came to us with priorities, and you came to us with the President's top line in procurement. I looked at that and realized you did not have enough ammunition in there, and you did not have enough trucks. We added trucks and added ammo. You just thanked us for the trucks and the ammo, and I presume that if we had enough money to also fund more missile defense, which would protect some of your troops in Korea against Scud-C's, that if you could get that, you would appreciate it. And so the point that I am making is that your prioritization of missile defense, having some money deleted from it this year was based on the President's procurement budget this year, his overall defense budget but the procurement and R&D budgets being as stated in the President's budget submission, because there are almost \$20 billion in difference, just in the 2 years, fiscal years 1997 and 1998. That is the difference between what we are really going to get now that we are down to the time when you have got to fish or cut bait and what you folks projected to the President and he projected in his 5-year budget in 1995. You have got almost a \$20 billion difference there.

Now, if we give you some of that extra money, I just want to make it clear that you are not saying that you do not need additional missile defense; you are saying that given the dollars that you are looking at this year in the President's budget, that is where your prioritization is at; is that right?

General GRIFFITH. What I would like to say, sir, is that if given additional dollars, I think what we would do is we would have to come back to the JROC and say is that an area where we think the dollars—

Mr. HUNTER. But you do not foreclose it? It may be one of your priorities, as may a lot of other things.

General GRIFFITH. Yes, sir.

Mr. HUNTER. Thank you.

Mr. Chairman, you mentioned an important thing on this MRC scenario.

You are the arbiters of what we need with respect to being able to fight two MRC's. Now, the MRC that we had in Desert Storm, we won with very few casualties because we had overwhelming force. We now have an Army that has gone from 18 divisions to roughly 10; air wing equivalents in the Air Force down from about 23 to 14; the Navy from about 550 ships to about 350, give or take a couple. If we had to fight Desert Storm today, could we be presumed to be able to win it in the overwhelming manner that we won it in the early 1990's when we had the heavier force structure?

General RALSTON. Let me take that first and then have each of the services respond.

Mr. HUNTER. OK.

General RALSTON. In my judgment, yes, we could today.

Mr. HUNTER. With the same low level of casualties?

General RALSTON. I believe we could do it with the same low level of casualties.

Mr. HUNTER. OK.

Question, General Griffith: how many Army divisions were engaged in Desert Storm?

General GRIFFITH. Seven, sir.

Mr. HUNTER. How many?

General GRIFFITH. Seven.

Mr. HUNTER. Seven; if we have ten today, and you dedicated seven to Desert Storm, how many would you then dedicate to an MRC on the Korean peninsula?

General GRIFFITH. Sir, you would obviously——

Mr. HUNTER. It would be three.

General GRIFFITH [continuing]. The arithmetic is pretty simple; you have got three, except, sir——

Mr. HUNTER. Question: Could you win with overwhelming force on the Korean peninsula with today's downsized force structure with the three divisions?

General GRIFFITH. Sir, if we had to go to Korea, we would have to employ the brigades of the National Guard. We would have to mobilize and deploy maneuver forces from the National Guard.

Mr. HUNTER. So you would not be able to do it with your active Army?

General GRIFFITH. The full combat requirements could not be met if we put seven divisions——

Mr. HUNTER. OK, full combat requirements could not be met. So I guess what I am introducing is that there is another aspect to not having the force structure and meeting the military requirements, and that is not just that we would like to get there sooner than later but that that difference can be translated into more casualties on the battlefield.

General Ralston, you are about 100 bombers short if you look at the Bottom-Up Review and you map that out against two MRC's. Now, the answer to that was we are going to swing bombers from

one MRC to another, something we have never done before. In asking General Loh the question, he said that you could take more casualties doing that if you happened to swing bombers out of one theater at a time when the enemy, for example, was making an armored attack; is that accurate?

General RALSTON. I would have to go back and review the record. My understanding of what General Loh said was——

Mr. HUNTER. I have got his letter; I will give it to you.

General RALSTON [continuing]. That it is an untested strategy; we have not done that before, and there may be some risks associated with it.

Mr. HUNTER. Yes, and he said that could be translated into additional casualties.

I have got a number of questions. Mr. Chairman, if I could be permitted, I just have a few on some basic equipment requirements I would like to throw out if we could.

General GRIFFITH. Could I comment, make one other further point, sir?

Mr. HUNTER. Sure.

General GRIFFITH. Sir, I was part of Desert Storm. I had a division in that conflict. And I am being absolutely sincere when I tell you that I think that we could fight that war today with a lesser number of divisions than we fought it in 1991. I think that the force that we fought out there is a lesser force today than it was in 1991, a significantly lesser force. And I think our ability because of prepo stocks in theater to close in that theater much quicker——

Mr. HUNTER. No, General, that was not my question. My question went to a Desert Storm-type scenario, taking the strength of Saddam Hussein today as it was then, not after we have won the war and he has been knocked down. My point was two robust MRC's, and I think that was an example of a robust MRC.

Let me ask you, General Hearney: your ammunition stocks. I understand that there is not enough ammo without pulling down reserve stocks for the Marine Corps to fight two MRC's; is that accurate?

General HEARNEY. Sir, we would have to use reserve stocks to fight two MRC's, our war reserves.

Mr. HUNTER. Could you fight it with all of your war reserve? Could you fight two MRC's even if you had all of your war reserve available?

General HEARNEY. Sir, I will have to take that for the record and get back to you.

Mr. HUNTER. My suspicion is that I think from the briefings that I have had, you would have to go into the training reserve also, that you are shy on ammo.

With respect to Army aviation, General Griffith, are you up to speed? Do you have sufficient Army aviation capability now to robustly fight two MRC's?

General GRIFFITH. Sir, I think the aviation capabilities of the U.S. Army are probably better than they have ever been. And as we bring on the Apache Longbow, that is clearly going to be a capability that is dramatically greater than anything we have enjoyed on the battlefield before. I think, sir, the answer to your question is yes. We look forward to having more Apaches into the force, par-

ticularly the Longbow, as we have indicated. I would tell you that there is one concern that I have that the Congress has helped us with, and we are trying to help ourselves with in the program, and that is the medevac capabilities which we need to replace the Huey and have more UH-60's to facilitate that capability.

Mr. HUNTER. Do you have enough sealift capability?

General GRIFFITH. No, sir, we do not. We need those additional—we have not completed the Bottom-Up Review sealift structure. We had that discussion that we are five ships short of what we require. We think that we need those additional RO-RO's for the sealift capability.

Mr. HUNTER. Do you have enough ammunition?

General GRIFFITH. Sir, we have enough ammunition. I would have to also answer for the record.

Mr. HUNTER. I would like you to go back and look at the amount of ammo you think you are going to need to fight two robust MRC's. And as I understand, there are two requirements. One requirement is one that comes from commanders in the field, and the other requirement is a shaved-down requirement that comes from the Pentagon. And I do not have the names for those two requirements, but I would like you to stack it up against both ammunition standards, if you would.

General Moorman, do you have enough precision-guided munitions?

General MOORMAN. Yes, we do in the budget here, although I think you have asked us—

Mr. HUNTER. No, I do not mean in the budget; I mean in your inventory. Do you have enough precision-guided munitions to fight two robust MRC's?

General MOORMAN. Yes, I think we do. However, there are always needs for additional. But I think we can handle two MRC's.

Mr. HUNTER. Thank you.

Mr. Chairman, thank you for indulging me, and I have a lot of other questions for the record that I would like to be able to submit, if I could.

The CHAIRMAN. Without objection.

Mr. HUNTER. Thank you.

The CHAIRMAN. Mr. Abercrombie.

Mr. ABERCROMBIE. Thank you very much, Mr. Chairman.

General Ralston, I have more of an observation to make, and you need not comment on it now, and I am not entirely sure that this is within your purview. But I am going to quote to you from the introduction that you made in the hopes that this idea that I have might be useful at some point within the context of your legislative responsibilities, that which was established by the act establishing the Joint Requirements Oversight Council. You say that: "The Goldwater-Nichols Defense Reorganization Act made the Chairman of the Joint Chiefs responsible for assessing the extent to which the program recommendations and budget proposals of the military departments and other components of the Department of Defense conform with the priorities established in the strategic plans and priorities of the combatant commanders-in-chief."

All well and good. Further: "It directed the Chairman to submit to the Secretary of Defense alternative program recommendations

and budget proposals." I am emphasizing budget proposals in this with the idea of, as you say in addition: "projected resource levels and guidance provided by the Secretary of Defense," which amounts to the Secretary of Defense trying to figure out how do I pay for everything that everybody wants? And we have gone through this whole hearing today where you have had to juggle these, where you have testified that—and I do not mean that in a pejorative sense at all—you had to juggle how to come up with this.

Have you, in the process of doing all of this, considered capital budgeting, recommending this to the Chairman of the Joint Chiefs and to the Secretary of Defense that in order to accomplish particularly on the procurement and acquisition side in the context of that which Chairman Spence mentioned? Once you get into these capital projects, whether it is the barges that Gene was talking about or submarines versus carriers—we have had that kind of argument, principally, I think, because of the incredible capital expenditure that is involved in this. And that money, in terms of authorization, as the chairman indicated, sucks up an enormous portion of our authorization capacity, so that in the end, we find ourselves, as Mr. Hunter indicated as well, coming up against quality of life issues, readiness issues and sometimes expected here in the committee to provide add ons or plus ups, which more often than not, involve quality of life issues and some of the readiness issues simply because of this incredible capital expenditure.

And I do not think that many people across the Nation are familiar with the fact that the budgeting system of the Federal Government is different from the way they budget their families or in their cities and counties and States, where they have a capital budget versus an operating budget.

The reason I am going through that dissertation is that I am really deadly serious about trying to address in good faith what the chairman touched on and what other serious-minded members of this committee have enumerated on many occasions. How do we deal with the enormous capital costs and at the same time deal with our operating expenditures and still be fair to all of the other needs that we have in Social Security, Medicare, whatever it might be?

Now, I do not see this as a panacea, capital budgeting, separating the capital budget from the operating budget in DOD, but I certainly see it as something that we should and could address in a good faith fashion to see whether or not precisely because that which the reprogramming of capital expenditures and the renewal that takes place, bombers, no matter what they may be; missiles that have to be replaced; carriers. If we are looking at 10 and 20 and 30 and even 40 and 50 year utilization, why can we not go to the possibility, look to laying off the expenditure in a way that we would with capital goods, with dishwashers and cars and houses?

We are experimenting right now, and this committee on a bipartisan basis is looking at housing, where we perhaps go to the private sector and get a public-private partnership for family housing that will be paid off over a 30-year period just as other housing might be. So my point is less a question to you as to whether you approve or disapprove of the idea of capital budgeting but more of an observation that I hope you will take into account and perhaps

be willing to comment on: Has capital budgeting been considered, and if it has, what did you conclude? And if it has not been, is it something that would come under the programming and budgeting requirements or responsibilities that you have with respect to defense planning?

General RALSTON. Sir, I would like to take that for the record and try to get you a more fulsome answer than what I could give you today. I understand the concept you are talking about. Let me get back to you with an answer.

Mr. ABERCROMBIE. Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Mr. ABERCROMBIE. Mr. Chairman, I would really appreciate—and it does not have to necessarily be to me, but I do think that you and I and other members on a bipartisan basis have talked about capital budgeting in the past, but it is something that really has not come forward, and I would very much appreciate it if we could follow up on a committeewide basis. I did not just bring it up as a personal observation.

The CHAIRMAN. I think the appropriators have been talking along those lines already on some things.

But if I might just for 1 minute, I was thinking while I had my mind jogged on this thing that there are all kinds of things floating around town, I am sure, and you must have thought about it collectively and individually too. There are a lot of people trying to get around funding, avoid funding properly our national defenses, especially the BUR strategy, the Bottom-Up Review strategy of two MRC's. And some people are suggesting that we change that strategy, move to top line or bottom line, whichever way you want to look at it, and get a lesser strategy so that it will not cost as much. That is coming, I know. That is the next thing coming. It is already being suggested by some people whom I will not name right now. I was just wondering what your thinking is on that. You must have thought about it in your deliberation before now. What do you think about changing the strategy?

General RALSTON. Mr. Chairman, two parts to the question. No. 1, from my personal view, we in uniform have a responsibility to tell our civilian leaders what we can and what we cannot do, and the strategy properly comes from the elected leadership of our country, both in the NCA and the Congress. And right now, as I have said before, I believe our force structure is the minimum that we can go to support our current strategy. With regard to whether we should keep that strategy, I believe—again on a personal view—that if we are to remain a superpower, with all of the global responsibilities that we have, I do not see how we can do that with anything less than our current strategy and our current force structure.

The CHAIRMAN. Does anybody else have any thoughts on that? Knowing that cutting the force structure is what they are aiming at, these people who suggest that, and that is the bottom line, cutting force structure; it will not cost as much, and so, we will name the strategy something else. That is the thinking. It is coming. If you are not already prepared for it, get prepared for it, because that is going to be coming.

Mr. Hunter, you said you had some more.

Mr. HUNTER. Mr. Chairman, thank you. I just wanted to ask for one other thing, first, that these three administration budgets be inserted in the record at the place where I asked the questions about your druthers. And so, if we could, put those in the record.

But second, you gentlemen—and I appreciate what you do. You know, I think that in terms of all of the folks who appear before Congress, the military leadership has a reputation as being the best honest brokers under Republican or Democratic administrations. So we appreciate you for coming up here and being candid, even when it is a little tough sometimes. Because of the political year that we are in, from both sides of the aisle, you get a little fire. But let me ask you this: You give line-by-line recommendations to the Chairman of the Joint Chiefs on systems; is that right?

General RALSTON. We give recommendations to the Chairman. I will not say that we address every system in there, but anything that we think is worthy of the Chairman taking forward to the Secretary of Defense, we make that recommendation to the Chairman.

Mr. HUNTER. You are aware of the fact that we plussed up last year's budget; we are probably—as Mr. Dellums said, you do not have to be a rocket scientist to understand that the Republicans are going to plus up the defense budget this year. This chairman is dedicated to doing that; he is going to do it. The services have given us or are in the process of giving us their lists of what they would add if they had the extra money to do it. I want to make sure that that is consistent with the requirements, because you folks are the requirements experts. Have you looked at what the services are sending up to us? Are they checking it with you?

General RALSTON. First of all, the services are represented here on the JROC by their Vice Chiefs.

Mr. HUNTER. I understand.

General RALSTON. They understand what their particular service priorities are. The JROC has not met as a body to talk about those individual service requirements. But I would say that we have talked and understand and agree that if there are things added to the budget that we would hope that they are things that are already in our budget plan and that we would move those forward so that we do not create large tails that we had not counted on that make our problems even worse in the out years.

Mr. HUNTER. Could we get your recommendations that you have made to the Chairman on these systems? Because if we had those recommendations, we are going to be able to look at them and tell if they marry up with what we are getting and also tell if they marry up with what members of this committee recommend.

General RALSTON. Yes, sir; let me make sure that I do not misunderstand or mislead you. We have not recommended to the Chairman any recommendation with regard to lists that the services may or may not have given to us.

Mr. HUNTER. No, what I am talking about is before the final cut is made on your budget, as I understand it, when you are building the budget, you as the requirements leadership put together recommendations as to what you think the requirements are: x number of tanks; x number of Marine aviation units, helicopters; or ships or whatever. You make line-item recommendations to the Chairman; do you do that?

General MOORMAN. Sir, maybe I can take that, and maybe my colleagues will jump in. The impression I am getting from your question is that somehow the JROC provides a similar product that you have requested from the services, that is, the product of your priorities if you had more money. Let us just use that as an example. The line-by-line—

Mr. HUNTER. Or just a total budget.

General MOORMAN. The JROC does not make line-by-line recommendations. The recommendations made by the JROC are found in the CPA and the CPR, and they are staffed through the service Chiefs as well as the CINC's.

Mr. HUNTER. What form do they have, then?

General MOORMAN. They are in a letter draft form.

Mr. HUNTER. I understand that. I mean what form—

General MOORMAN. They are not in, by the way—

Mr. HUNTER. Do you talk about units of equipment, ships, tanks?

General MOORMAN. Generally, it is more general than that as opposed to buy this number of this piece of equipment.

Mr. HUNTER. Well, I am trying to understand what you do. You have got to have a value to the services and to the country in terms of telling us what we need, so you do not just send a letter out saying we need to be stronger this year; we do not need to be quite as strong.

General MOORMAN. No, there is a good degree of specificity, but it does not necessarily equate to X number of the certain amount of a weapons system, for example.

Mr. HUNTER. How specific does it get?

General MOORMAN. Areas that we need to emphasize; new areas to have funds spent on; areas where we have shortcomings.

Mr. HUNTER. So you make reports that manifest that, basically.

General MOORMAN. Yes.

Mr. HUNTER. Can we get those reports from you?

General RALSTON. Sir, those particular documents, our recommendations, to this point have been handled as internal documents, and let me explain for a moment why that is. This body that you see here has done some very, very good work in terms of being very open and very candid as they meet within the JROC, and they at times have to take positions that may necessarily be opposite of what their service would be in the interest of jointness. We think that is a very key concept to maintaining a validity to the JROC. There is some reluctance if those private, internal deliberations are then taken outside the Chairman's purview—we are making these recommendations to the Chairman of the Joint Chiefs—and he may or may not accept those recommendations because he listens to the other CINC's, the other service chiefs, and finally makes his recommendations to the Secretary of Defense.

So my personal view on this is that the committee will be better served, and we will be better served, if we keep those deliberations internal.

Mr. HUNTER. OK; we are being real candid with each other; you are not going to give us those. I think we would be well-served if we knew what your recommendations were, because I think we want to do what is right with respect to jointness and all of the other things. So, if you have got a concern that the services are not

going to treat their JROC member well when they find out that he pushed a pet rock out of the nest; I think that is overweighted. But obviously, DOD has made a policy decision that you are not going to, so you will not only not give us the CPA, the Chairman's program assessment; you are not going to give us your inputs to the Chairman with respect to your recommendations.

General RALSTON. Sir, I respectfully submit that my preference is not to do that.

Mr. HUNTER. OK; well, Mr. Chairman, I think we should try to get them if we can under the color of law, and we should try to get those, because I think they would be a good guidance document for us.

Thank you, gentlemen, and thank you for your testimony.

Mr. Chairman, thank you for indulging me.

The CHAIRMAN. I understand. This is the first time, I guess, that we have had the JROC before us, and since it is something new we are starting out on, we might be able to have a better dialog about these things, in any event, so we can be more helpful to one another in what we are all trying to do.

But in any event, we do appreciate your time, and we have kept you a long time already, and I want you to know that we appreciate your contribution. You have helped us tremendously in our work, and hopefully, we will be able to back up the words we have been speaking this afternoon and try to help you more and make the context that you are going to be considering in the budget be our context budget rather than the administration's context budget. That way, we can have a better outcome overall.

I understand what we call fiscal guidance and how it has been given, and we understand those kinds of things, and you have to operate in that context of the fiscal guidance given to you. We understand that. We are just trying to help make that fiscal guidance better, and hopefully, we will be able to do that this next year.

Thank you very much.

[Whereupon, at 4:07 p.m., the committee was adjourned.]

FISCAL ACT YEAR 1997 NATIONAL DEFENSE AUTHORIZATION—UNITED STATES EUROPEAN COMMAND (EUCOM), CENTRAL COMMAND (CENTCOM), PACIFIC COMMAND (PACOM), FORCES KOREA (USFK), AND ATLANTIC COMMAND (ACOM)

HOUSE OF REPRESENTATIVES,
COMMITTEE ON NATIONAL SECURITY,
Washington, DC, Thursday, March 28, 1996.

The committee met, pursuant to call, at 9:40 a.m. in room 2118, Rayburn House Office Building, Hon. Floyd Spence (chairman of the committee) presiding.

OPENING STATEMENT OF HON. FLOYD D. SPENCE, A REPRESENTATIVE FROM SOUTH CAROLINA, CHAIRMAN, COMMITTEE ON NATIONAL SECURITY

The CHAIRMAN. The committee will please be in order. Today the committee leadership will receive testimony from the regional commanders in chief or CINC's, as we call them. This morning we will hear from Gen. George Joulwan, Commander in Chief of the United States European Command; General Peay, Commander in Chief of the United States Central Command. In a separate session this afternoon, the committee will hear from Commanders of the United States Pacific Command, the United States Atlantic Command, and the United States Forces in Korea.

Gentlemen, let me welcome you to the committee this morning. I look forward very much to your testimony. We meet this morning as the committee nears the end of an intensive 5-week stretch of hearings in oversight on the fiscal year 1997 budget request. I consider it appropriate to close this phase of the process with testimony from our senior field commanders who are charged with the ultimate responsibility of executing the national military strategy across the globe.

While those of us here in Washington tend too often to debate the size of the defense top line and other abstractions, our regional CINC's have a plan to train and be prepared to use military force in defending our national interest. The harsh day-to-day reality of this responsibility provides them with a unique perspective on the challenges facing U.S. military forces, a perspective that is difficult to replicate inside the beltway.

An example of this lack of real world perspective in Washington is the ongoing debate over how best to address the worsening modernization shortfall caused by a decade of defense budget cuts and made worse by this administration's diversion of modernization funding to pay for shortfalls elsewhere in the budget.

While there is near universal recognition of the need to increase funding for equipment procurement, the administration's long-term budget plan continues to cling to the unlikely and unproven hope that management and overhead reform will magically produce the savings necessary to recapitalize the force. Making matters worse, however, senior administration officials have begun to openly discuss the prospect of using force structure cuts below the Bottom-Up Review levels to finance future modernization.

While this issue is not likely to be directly confronted during the upcoming fiscal year, the President's budget proposal does start down this perilous road by underfunding both Army and Air Force end strength.

Given the seriousness of the issues involved in further reducing military force structure, I think it is critical that we begin now to explore the global implications associated with reducing the force. Further force structure reductions have serious implications that transcend immediate military impact. They also involve our national military strategy and the diplomatic and political commitments that go with it. While these are all issues that we will have to sort through in greater detail than time will allow today, I would ask our witnesses to help us begin to understand what the capability and risk trade-offs associated with further reductions in military force structure might be. In other words, where is the give relative to your requirements today and what are associated risks?

Before I recognize the witnesses, I would like first to recognize the ranking Democrat, Mr. Dellums, for any comments he would like to make.

STATEMENT OF HON. RONALD V. DELLUMS, A REPRESENTATIVE FROM CALIFORNIA, RANKING MINORITY MEMBER, COMMITTEE ON NATIONAL SECURITY

Mr. DELLUMS. Thank you very much, Mr. Chairman, and members of the committee. It is with great pleasure that I join you in welcoming General Joulwan and General Peay before the committee this morning. As the Commanders in Chief for the European and Central Commands, they have a great deal on their plates.

Much of what they are facing reflects the new and emerging requirements of the post-cold-war era. In Europe, General Joulwan must arrange the continued realignment and purpose of the NATO Alliance, including its work with the Partnership For Peace Program and the discussions around NATO expansion.

The problems contained in this cluster of issues are enormous and go to the heart of the transatlantic relationship. They raise many questions concerning the best role the United States can play in sustaining and enhancing European stability and what the configuration of forces, training and operations will most appropriately enhance that role.

Of course, General Joulwan is also fully engaged in managing one of the largest peacekeeping operations in which the U.S. Forces have fully participated. His expertise and insight on the Bosnia operations will be very important to this committee's authorizing responsibilities. If these operations are, indeed, the predominant activities in which U.S. Forces will be engaged, then we can benefit from lessons learned concerning the training and deployment re-

quirements for such missions and the impact that mission has in respect to our overall force readiness.

Finally, the European Command has geographic responsibility for those areas of Africa that are not included in the CENTCOM area. While there has been some minor realignment of geographic responsibilities among the CINC's this year, as I understand it, Africa still remains within the otherwise large geographically diverse and very busy command.

In that regard, it would be useful to hear from General Joulwan about what the work that his command is doing in Africa and his views on whether or not the current alignment of responsibility for the bulk of Africa is properly cited with the European Command.

With regard to CENTCOM, we continue to have the operations that include United States troops with Iraq. Many of the mobility pre-positioning and logistics issues with which U.S. Forces are pre-occupied in planning find themselves played out in these ongoing operations. In addition, forward deployment operations, especially with aircraft carriers, create the greatest stresses on our force structure when they are geared toward areas in the CENTCOM area of responsibility.

I will appreciate very much hearing from General Peay regarding his views of our ability to meet that portion of our national strategy that focuses on the possibilities of a major contingency or other conflict in the Southwest Asia Theater. How has pre-positioning gone to date? What are the training and mil-to-mil arrangements that we are utilizing to help bring stability to the region? What are your views on developments in the region with regard to the Iranian military plans and with regard to the United Nations effort to root out weapons of mass destruction programs in Iraq?

Finally, Mr. Chairman, both commands have differing responsibilities in areas of the Middle East that are involved in the process of peacemaking between Israel, the Palestinians, and other nations of the region. I look forward to your views on the peace process, where it might be going, and what your respective commands are doing to think about possible utilization of U.S. Forces in the implementation of potential peace agreement.

I am also interested to learn of your thoughts on the current discussion that suggests that we will revisit the Bottom-Up Review analysis. Many of us have felt that the BUR, the Bottom-Up Review, no longer fully captures our national security requirements, and we welcome this opening for your thoughts on this topic. They would be very useful to our ongoing discussion as we reassess.

I might just add parenthetically that at one point the Secretary of Defense, in appearing before this committee, agreed he thought the Bottom-Up Review should be a dynamic and living document that is updated as we gain greater knowledge in the world as it evolves into the 21st century.

I would like to thank you, Mr. Chairman, and I look forward with you and my colleagues to a very interesting meeting and dialog with our colleagues, and with those remarks I would yield back the balance of my time.

The CHAIRMAN. I thank the gentleman for his comments. Without objection, the written statements of each of you will be entered

into the record and, General Joulwan, you might proceed as you like.

**STATEMENT OF GEN. GEORGE A. JOULWAN, USA,
COMMANDER IN CHIEF, U.S. EUROPEAN COMMAND**

General JOULWAN. Thank you very much, Mr. Chairman, Representative Dellums, and distinguished members of the House National Security Committee. It is a privilege to appear again before you to report on the forward deployed—and you are going to have to forgive my voice.

The CHAIRMAN. We understand. You are doing fine.

General JOULWAN [continuing]. Forward deployed and forward stationed U.S. European Command. I welcome this opportunity to provide my assessment on the EUCOM theater of operation, a theater that spans Europe, the Near East, the northern Africa littoral, and Sub-Saharan Africa. Eighty-three countries and 13 million square miles and over 1 billion people of different ethnic, religious, and economic conditions.

At the outset, let me thank this committee, and particularly you, Mr. Chairman, on behalf of the men and women in the EUCOM and their families for your support of our efforts in Europe and NATO as well as in our Arab responsibilities in Africa and the Near East. I have been appearing before this committee since 1990 and I am particularly grateful this year for the opportunity to provide you my assessments of the command. Mr. Chairman, as you said I have a lengthy posture statement which I will enter into the record and then briefly make a few points.

First, EUCOM is experiencing the highest operational OPTEMPO in its history. My forces are engaged in a preventive deployment in Macedonia called Able Sentry; a no-fly zone enforcement against Saddam Hussein in northern Iraq called Provide Comfort, and a NATO-led operation to enforce the Dayton Peace Accords in Bosnia and Herzegovina called Joint Endeavor. We have an air defense battalion in Saudi Arabia and numerous deployments in the Near East and Africa. A forward deployed and forward stationed force gives the United States great flexibility and reach and EUCOM is demonstrating its value every day.

Earlier this month, EUCOM ended the longest running airlift of humanitarian supplies in history. JTF Provide Promise completed over 1,200 days of support with 12,000 flights delivering over 160,000 metric tons of humanitarian supplies. Most important, thousands of lives were saved by these brave men and women.

Operation Joint Endeavor is the first NATO-led manned operation in the history of the alliance. NATO is now committed to ending the tragedy in Bosnia. Nearly 607,000 troops, of which 20,000 are Americans, are committed in this operation. The force was deployed by air, sea, rail, and road during the worst Balkan winter in this century and into the most difficult terrain in Europe.

Over 3,000 air sorties, 400 trains, and 50 ships were used in this deployment. American troops were magnificent. They did it all, from setting up a forward base in Hungary to putting a bridge across a flooded Sava River, to rapidly establishing Task Force Eagle Base at Tuzla.

Most significantly, U.S. forces were joined by not only the 16 NATO nations, but by more than 20 non-NATO nations who have committed troops, access across their countries, and political support to the peace process. It is a grand coalition committed to bringing peace to the people of Bosnia.

Let me also add that there are 1,600 Russian troops as part of the United States multinational division in the vicinity of Tuzla. The Russian brigade is under my command and stationed in both Serbian and Bosnian territory. Joint patrols are being conducted today along the flanks of the brigades with both Russian and American soldiers. A three-star Russian general has been at my headquarters at SHAPE in Mons, Belgium, and is my deputy for Russian forces.

These are extraordinary times. In the past 6 months we have had visits from the Russian Minister of Defense, Russian ambassadors, Duma parliamentarians and Russian journalists. We are engaged and need to stay engaged with the Russians. We have a true opportunity, an unprecedented opportunity, to create a new security relationship in Europe.

My second point, Mr. Chairman, has to do with EUCOM's engagement strategy with Central and Eastern Europe. Last year, I briefed you on the success of our military cooperation program by both EUCOM and NATO's Partnership For Peace. In the past year, it has dramatically improved and many of the non-NATO nations now operational in Bosnia have been directly influenced by our prior military cooperation efforts. Indeed, we are putting theory into practice.

I was briefed, 10 days ago, by the Secretary General of NATO in the vicinity of Duboj, Bosnia, by the Swedish general commanding the Nordic brigade and his Polish deputy commander. Both voluntarily praised the Partnership For Peace Program. Each said his country was better able to interoperate with NATO as a result of PFP.

This did not just happen. As I mentioned to this committee 2 years ago, I have taken a proactive approach to these programs. We train together. Not just with the company activities we do, but rather in a focused way to conduct missions together. The payoff is what we are doing in Bosnia today. This is what I mean by peacetime engagement, and I want to thank this committee for your support of the Partnership For Peace initiative.

It is a low cost, high payoff program, and again we see the results on the ground in Bosnia. Most importantly, we are building mutual trust and confidence with former adversaries and perhaps can prevent a future crisis from erupting into conflict.

My third point has to do with the Reserve component. I would be remiss if I did not tell this committee that we in EUCOM are a total force, Active, Reserve, and National Guard. Over 4,200 Reserve component troops have been called up for Operation Joint Endeavor and are doing a superb job. In addition, we have 21 State partnerships with former Warsaw Pact countries.

This is an extraordinary effort. My intent is for these emerging democracies to interact with American citizen soldiers, highly qualified citizen soldiers who clearly portray the role of the citizen soldier in a democratic political system.

As I said, we have 21 U.S. States joined in partnership with Central and Eastern European states. For example, South Carolina is with Albania; Texas with the Czech Republic; Ohio with Hungary; Alabama with Romania; Pennsylvania with Lithuania, Illinois with Poland; California with Ukraine, Tennessee with Bulgaria; Colorado with Slovenia; Arizona with Kazakhstan; and Utah with Belarus. I encourage your continued support for these excellent programs.

Last year, Mr. Chairman, IMET allowed over 980 international students from the theater to attend schools in the United States and paid for 11 English language laboratories in 8 central European countries. This year 27 African nations and 23 Central European countries will participate in IMET.

The Marshall Center educates future leaders in security affairs and defense management principles. Recently, one of their graduates was assigned as the Estonian Army commander, while another has been appointed as a special adviser to the Romanian Minister of National Defense. The Czech commander in Bosnia today is a graduate of the Army War College in Carlisle, PA, and the base commander in Szekszard, Hungary, is a graduate of our Air University at Maxwell Air Force Base.

But let me be clear, Mr. Chairman, EUCOM is more than just a peacetime engagement theater of operations. Last August when the Bosnian Serbs again shelled the marketplace in Sarajevo killing many innocent civilians, NATO's response was quick and lethal. In probably the most surgical air operation in history NATO planes led by United States fighters achieved maximum damage on nearly 70 Serb targets with very little collateral damage to civilians or properties.

Even the Serbs marveled at the accuracy and skill of our pilots and munitions. This single event led to the Dayton peace agreement and hope for the people of Bosnia. And when NATO decided to lead the coalition of forces into Bosnia, EUCOM again provided invaluable assistance using the new C-17 strategic lift aircraft the 1st Armored Division deployed flawlessly in the theater.

EUCOM also provided intelligence fusion communications and logistic support for Operation Joint Endeavor. As a forward deployed unified command, EUCOM works daily with our allies and new partners. This relationship paid off as access across countries like Austria, the Czech Republic, Slovakia, Slovenia, Hungary, and Switzerland was granted in a week's time. This is absolutely unprecedented and shows the relationship that we have developed.

Now, we need to capitalize on these new relationships and as we develop our national strategy for the 21st century, this committee more than any other has the oversight that can influence our ability to implement the national security strategy of engagement. Clearly, we are not the world's policemen, but it is much better to influence an event rather than react to them.

To do that, I need the appropriated funds for the programs mentioned. I also have the requested supplemental funding, and I need that sooner rather than later, in order to prevent an adverse effect on readiness and quality of life.

The issue to me, Mr. Chairman, is how do we engage in peacetime to prevent or deter conflict? How do we interact with allies

and parties to build trust and confidence? How do we leverage the assets of our allies to join us in preventive engagement and also in a major regional contingency?

How do you gain access to bases and logistics points? Do you continue to do that by waiting for a major regional contingency to occur? You act now to try to deter the conflict or, if deterrence fails, you can rapidly deploy forces because of the relationships you have established in peacetime. Nowhere is this more possible than a post-cold-war Europe.

The U.S. and NATO's mission in Europe did not end with the collapse of the Berlin Wall and Iron Curtain and the demise of communism. We have the unprecedented opportunity to see a Europe whole and free from the Atlantic to the Urals. We can complete the work done by General Marshall in 1947.

To do so the United States must stay engaged politically, economically, diplomatically, and militarily and we must have forces capable of operating across the entire conflict spectrum from peacetime engagement to high intensity conflict. And our troops and leaders are capable of doing so, Mr. Chairman, and are demonstrating it every day in the European Command.

My final point, Mr. Chairman, is that in EUCOM people are our most valuable asset. We must continue to provide for an adequate quality of life for the troops and their families. The EUCOM force is now bottomed out and stabilized. Our deployments throughout Europe, Bosnia, the Near East, and Africa attest to the wisdom of forward deployed and forward stationed forces. I ask for your continued support of our troops, the OPTEMPO, the MILCON, family housing, DODDS, and morale, welfare, and recreation.

Again, Mr. Chairman, thank you for the opportunity to appear before you at this critical point in our Nation's history. With your support in this committee we truly have the unique opportunity to create a better world for our children and for our grandchildren. I look forward to your questions.

[The prepared statement of General Joulwan follows:]



STATEMENT OF
GENERAL GEORGE A. JOULWAN, U.S. ARMY
COMMANDER-IN-CHIEF
UNITED STATES EUROPEAN COMMAND



BEFORE THE HOUSE NATIONAL SECURITY COMMITTEE

MARCH 28, 1996

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THE HOUSE NATIONAL SECURITY COMMITTEE

INTRODUCTION

Mr. Chairman and distinguished members of the Committee, I am privileged to appear before you today to discuss the United States European Command (USEUCOM). Once again, I welcome the opportunity to share my perspective on what has continued to be a theater in transition and conflict. While Europe has changed dramatically with the fall of the Berlin Wall and the collapse of Communism, those changes are not complete and continue to evolve. In the USEUCOM Area of Responsibility (AOR), where totalitarianism once ruled, democratic governments are gaining strength and maturity.

TRANSITION TO DEMOCRACY IN EUROPE**1985****1996**

■ DEMOCRATIC COUNTRIES
■ NON-DEMOCRATIC COUNTRIES

FIGURE 1

The Cold War is over! But, the U.S. and NATO missions did not end with the collapse of a wall or the defeat of an ideology. A stable and secure Europe remains a vital interest to America. The need for a strong and flexible NATO with U.S. involvement remains because there is still a great deal of uncertainty and instability. In countries impoverished by Communism, fragile democracies struggle to maintain stability within their borders. Although Russia retains thousands of nuclear weapons, all but a handful have been returned from the other republics of the former Soviet Union. Thanks in part to the Nunn-Lugar Program, these remaining weapons should be safely shipped to Russia in the near future. Even more immediate is the ethnic and religious conflict that has laid waste to large areas of the Former Yugoslavia. Said another way, USEUCOM continues to be a theater in transition.

Throughout this transition, United States leadership in the region, demonstrated by our national strategy of peacetime engagement and military preparedness, provided the guiding principles upon which emerging democratic nations could focus. A few short years ago no one could have envisioned that, today the U.S., as part of NATO, would be working side-by-side with Russia and other former adversaries in out-of-area peace enforcement operations. While I reported impressive accomplishments in Europe last year, over the last twelve months, our efforts have borne fruit of historic proportions, as today the men and women of U.S. European Command are engaged in the largest, most complex operational movement of military forces in Europe since World War II. Operation JOINT ENDEAVOR in Bosnia-Herzegovina illustrates the success we can achieve through America's *National Security Strategy of Engagement and Enlargement*. As the United States, NATO, and the

international community mission continues, we will have shown our resolve and provided Bosnia with an opportunity to take hold of their own future and break the cycle of violence.

Our success in Operation JOINT ENDEAVOR is not by chance. It is the product of focused effort over the last two years by USEUCOM and NATO. USEUCOM's *Strategy of Engagement and Preparedness*, based on the objectives in the *National Security Strategy*, and NATO's Partnership for Peace Program (PfP) are the center pieces of this effort. Together we developed an operational concept to exercise with our new partners in order to train to common standards, procedures, and doctrine, and to be prepared to operate under NATO command. Two years later, we are doing just that in Bosnia under the auspices of Operation JOINT ENDEAVOR. Many of our partner nations' forces who trained in the PfP program have joined us in JOINT ENDEAVOR.

Our continued leadership in NATO and engagement throughout the region made possible the deployment of the Bosnia Implementation Force (IFOR). We have met our goal of closing and setting the force at D+60. In total there have been over 2500 flights, 350 trains with 6,800 rail cars, and 50 ships supporting IFOR's deployment. JOINT ENDEAVOR now has 30 maneuver battalions within the three Multi-National Divisions (MNDs), backed up by artillery, aviation, engineers, military police, combat support and combat service support assets. This would not have been possible without the relationships nurtured through years of engagement. Over 30 nations, including non-NATO partners such as Russia, Poland, Sweden, Slovakia, the Czech Republic, Lithuania, Latvia, Estonia, and Hungary, have deployed forces, provided basing rights and transit agreements, or promised economic aid to this historic peace support operation (Figure 2).

Forward presence and available infrastructure in the theater provide a platform from which the U.S. can execute regional operations. Readiness of these forward-based forces was the linchpin that allowed the rapid deployment of the U.S. Airborne Battalion Combat Team from its base in Italy to Bosnia-Herzegovina. That deployment demonstrated the flexibility and responsiveness that a forward-based force provides. In addition, the 1st Armored Division's deployment was primarily by rail and truck convoy from its bases in Germany. This cut days off the deployment time and was significantly less costly than it would have been for a similarly equipped CONUS-based unit requiring strategic airlift and sealift. Additionally, the Mediterranean Amphibious Ready Group and Marine Expeditionary Unit maintained a continual forward-based presence off the coast of Bosnia-Herzegovina as part of the U.S. contribution to the IFOR reserve. Peacetime engagement and military preparedness coupled with the military capabilities inherent in forward-based forces were key elements to meeting our U.S. objectives.

INTERNATIONAL SUPPORT TO IFOR



■ NATO

□ NON NATO:

ALBANIA	AUSTRIA	CZECH
BANGLADESH	BULGARIA	EGYPT
ESTONIA	FINLAND	FYROM
HUNGARY	INDONESIA	JORDAN
LATVIA	LITHUANIA	MALAYSIA
MOROCCO	PAKISTAN	POLAND
ROMANIA	RUSSIA	SAUDI
SLOVAKIA	SLOVENIA	SWEDEN
UKRAINE		

FIGURE 2

This truly unique moment in history, this new security paradigm, was made possible because you, our elected leaders, support our forward-looking *Strategy of Engagement and Preparedness*. Congress provided USEUCOM the resources to accomplish our mission and ensured our forces were properly

equipped and trained. We must continue to build on these successes.

With that overview, I would like to focus my remarks on three main themes. First, I must emphasize that our success is largely a result of the forward-based, overseas presence directed by the President's *National Security Strategy*. This forward-based presence reaps the substantial benefits obtained through engagement with the region's nations. America's continued presence in this theater helped create a new security environment, based on international cooperation, and will provide the opportunity to extend stability to all of Europe.

Secondly, while USEUCOM's forward-based force is the primary tool with which we pursue our regional objectives, they cannot do it alone. The Reserve Components, and select units from other unified commands, are the "special teams" that provide critical augmentation support, allowing USEUCOM to execute a reasonable personnel tempo, and sustain an adequate quality of life. USEUCOM's theater strategy is a total force strategy.

Finally, our forward basing requires resources to maintain preparedness, infrastructure, and quality of life while also continuing our force modernization. The nation's past investment in the USEUCOM theater made JOINT ENDEAVOR possible. At this critical point in the history of our nation and Europe's, we can not afford to back away from these vital commitments.

STRATEGY OF ENGAGEMENT AND PREPAREDNESS

The *National Security Strategy* of the United States provides the framework from which we derived the USEUCOM theater strategy. From its three primary objectives -- enhance our security, promote

prosperity at home, and promote democracy -- come the military objectives of the *National Military Strategy* and the USEUCOM theater *Strategy of Engagement and Preparedness* -- promoting stability and thwarting aggression. The *National Security Strategy* goes on to define the importance of "...permanently stationed forces and pre-positioned equipment, deployments and combined exercises, port calls and other force visits, as well as military-to-military contacts..." in achieving these objectives. These forward-based forces:

- Promote an international security environment of trust, cooperation, peace and stability....
- Facilitate regional integration, since nations that may not be willing to work together in our absence may be willing to coalesce around us in a crisis.
- Enhance the effectiveness of coalition operations, including peace operations, by improving our ability to operate with other nations.
- Allow the United States to use its position of trust to prevent the development of power vacuums and dangerous arms races, thereby underwriting regional stability by precluding threats to regional security.
- Demonstrate our determination to defend U.S. and allied interest in critical regions, deterring hostile nations from acting contrary to those interests.
- Provide forward elements for rapid response in crises as well as the bases, ports and other infrastructure essential for deployment of U.S.-based forces by air, sea and land.
- Give form and substance to our bilateral and multilateral security commitments.

-National Security Strategy

These themes will surface repeatedly as I discuss the USEUCOM theater in terms of our *Strategy of Engagement and Preparedness*.

ENGAGEMENT - PROMOTES STABILITY

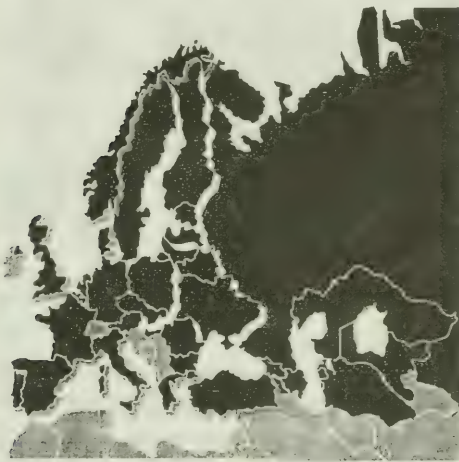
USEUCOM's forward-based forces promote trust, cooperation, peace, and stability through a number of avenues. U.S. leadership of NATO is absolutely essential to promoting a viable security environment. Numerous U.S. and NATO initiatives such as Partnership for Peace, the USEUCOM Joint Contact Team Program, and the Reserve Component State Partnership Program facilitate regional integration and enhance the effectiveness of coalition operations. The George C. Marshall European Center for Strategic Studies also promotes an international security environment of trust and cooperation. Finally, security assistance programs provide form and substance to our bilateral and multi-lateral security commitments.

Through its leadership of NATO, America promotes a collective security environment based on trust and cooperation; a relationship that fosters peace and stability. This is fundamental to the vitality of developing democracies and free market economies. Forward presence reinforces our strong commitment to the trans-Atlantic link and makes us a European power, but one that is uniquely unencumbered by historical anxieties and territorial ambitions. USEUCOM uses its position of trust to prevent the development of power vacuums and dangerous arms races, thereby precluding threats to regional security. This leadership is especially important as NATO grows from a solely defensive alliance to a regional security organization.

USEUCOM builds regional cooperation and security through Partnership for Peace and bilateral exercises that facilitate integration throughout the region. On 13 November 1995, the Former Republic of Macedonia became the 27th Partnership country (Figure 3). Eighteen nations now have full-time representatives assigned

to the Partnership Coordination Cell at Supreme Headquarters Allied Powers Europe (SHAPE). Our forces have participated in over 36 NATO- or U.S.-sponsored exercises, including two with Russia. By working and exercising with each other, these nations develop common procedures through PFP that will enhance interoperability and help overcome ancient animosities and distrust. These initiatives enhance the effectiveness of coalition operations, including peace operations, by improving our ability to operate with other nations.

PFP NATIONS



PFP COUNTRIES

(in dark)

Albania	Kyrgyzstan
Armenia	Latvia
Austria	Lithuania
Azerbaijan	Malta
Belarus	Moldova
Bulgaria	Poland
Czech	Romania
Estonia	Russia
Finland	Slovakia
FYROM	Slovenia
Georgia	Sweden
Hungary	Turkmenistan
Kazakhstan	Ukraine
	Uzbekistan

FIGURE 3

The Joint Contact Team Program (JCTP) is a uniquely American program successful beyond all expectations. JCTP's in-country Military Liaison Teams help host nations to implement human rights guarantees, military legal codes based on the rights of the

citizen-soldier, professionalization of noncommissioned officer and chaplain corps, and governmental structures that ensure militaries remain subordinate to civilian control. The teams provide information on how we Americans handle a whole range of challenges in non-lethal subjects associated with military organizations in a democratic society. As evidence of JCTP's success, host-nation requests for JCTP events have increased six-fold in the last two years.

No other nation possesses our unique capability to conduct the JCTP. To begin with, despite our significant military power, we are welcome in Central Europe because we carry no historical baggage and clearly have no territorial aspirations on the continent. In addition, because we are a nation of federated states, we understand the advantages and the challenges of diverse governments working together. Finally, coming from a nation rich in ethnic diversity, we have demonstrated this diversity can be a strength rather than a weakness. The United States brings unique qualities to the JCTP.

Our American Reserve Components are an essential and unique part of the Joint Contact Team Program, conducting one-fifth of the JCTP events. These citizen-soldiers embody America's democratic ideals and reinforce the concept of a military subordinate to civilian authority. By drawing on soldiers from specific states, USEUCOM has been able to set the stage for enduring long-term relationships.

In addition to the 13 JCTP countries, state National Guards have "adopted" eight other regional countries under the State Partnership Program. This program establishes close relations with a total of 21 nations, including countries of the Former Soviet Union. This further encourages the development of long-term

institutional and personal relationships between military and civic leaders and allows more Americans to become involved directly in helping countries transition to democracy (Figure 4).

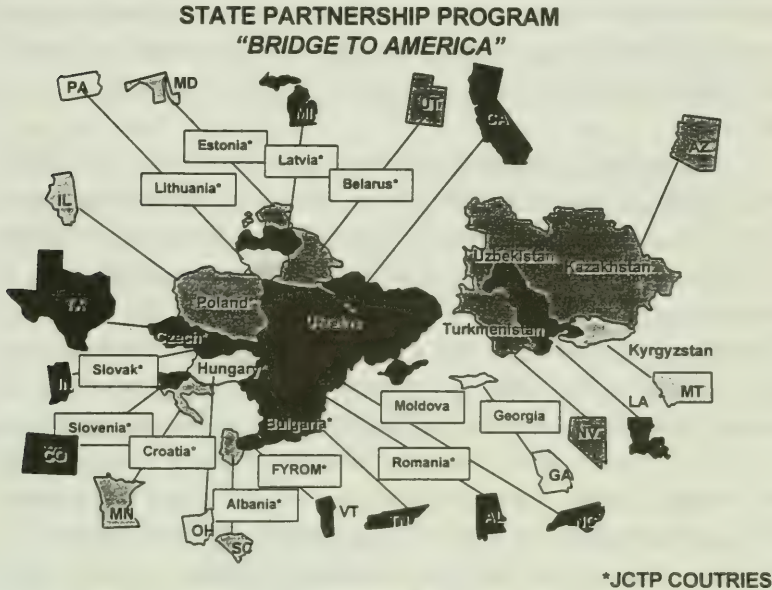


FIGURE 4

As the State Partnership relationships mature, they are able to contribute effectively in many ways. Exercise UJE KRISTAL illustrates how many of the engagement programs can successfully come together in a single exercise. This exercise, which upgraded an Albanian regional hospital and offered Albanians clean water and improved sanitation, was a joint-combined interoperability exercise conducted "in the spirit of PfP", with Active Component SEABEES and Reserve Components participating through the State Partnership

Program: South Carolina Army National Guard and Marine Corps Reserves from Illinois, Kentucky, Maryland, Ohio, and Pennsylvania. The low-cost high pay-off results of this exercise included valuable training, improved interoperability, and enhanced relationships with the people of Albania. Together Americans and Albanians satisfied an urgent need while simultaneously helping to build the foundation for the future security architecture of Europe.

The George C. Marshall European Center for Security Studies contributes to regional stability by educating foreign government officials, specifically Central Europeans, in democratic processes and ideals. Its mission is to help educate future leaders in security affairs and defense management principles that are harmonious with democracy and civilian oversight of the military. Established in June 1993, it has gained an exemplary reputation among PfP countries and established itself as a unique institution focused on fostering and teaching democratic ideals. In December, the Marshall Center graduated its third class of 75 mid- to senior-level officers and civilians from 23 Central and East European nations. This brings the total number of graduates to 233. The Center also holds conferences and sponsors research on defense procedures and organizations appropriate to democratic states with free market economies. This is a very cost effective means of influencing future generations of regional defense leaders and for promoting a course of development that reduces future threats.

Security Assistance programs continue to facilitate regional integration, enhance the effectiveness of coalition operations, and give form and substance to our bilateral and multi-lateral security commitments. They also demonstrate our determination to defend U.S. and allied interests in critical regions. Foreign Military

Financing (FMF), Foreign Military Sales (FMS), Direct Commercial Sales (DCS), and International Military Education and Training (IMET) enable selected friends and allies to improve their defense capabilities. While all of these programs are important, the IMET program is worth particular note.

IMET, a premier component of the Security Assistance Program, promotes military-to-military relations and exposes international military and civilian officials to U.S. values and democratic processes. In 1995, IMET sent 985 international students from the USEUCOM theater to schools in the United States. IMET also paid for 11 English language laboratories for eight Central European countries to assist their efforts to establish a solid foundation in English -- all this at a cost of only \$14 million. In 1996, 27 African nations and 23 Central European countries will participate in the U.S. IMET program, and IMET will continue to fund English language laboratories throughout Central Europe and countries of the Former Soviet Union (Figure 5).

IMET has a direct impact on most countries in this theater. Nearly all countries have sent members to America for professional military training. As an example, the IMET program trained twenty percent of all flag officers in Turkey, eighty percent of the senior leadership in Portugal, and more than 500 senior civilian and military leaders throughout the USEUCOM theater. IMET provides these nations familiarity with U.S. ideology, doctrine, and equipment. It leads to closer military-to-military relationships, favorable basing negotiations, and repeat equipment orders. Simply put, IMET serves as the centerpiece of Security Assistance.

FY96 IMET PARTICIPANTS



FIGURE 5

PREPAREDNESS - THWARTS AGGRESSION

USEUCOM faces all the challenges outlined in the *National Military Strategy*: regional instability, dangers to democracy and reform, weapons of mass destruction, and transnational dangers that threaten the emerging democracies. It is a theater in transition, as the economic, political, judicial, and military institutions

that make democracy work continue to evolve in the former communist nations of Europe and in many former autocratic regimes in Africa.

Still, USEUCOM must remain prepared to protect and defend U.S. interests. The high state of readiness of USEUCOM forces serves to deter aggression that might threaten U.S. national interests in Europe. USEUCOM forces provide forward elements for rapid response in crises as well as the bases, ports and other infrastructure essential for deployment of U.S.-based forces. Combined exercises with regional nations not only contribute to engagement and foster an atmosphere of regional cooperation, but ensure that our forces are prepared for potential security challenges.

Joint and combined exercises, including PfP and "in the spirit of PfP" events, help us maintain the preparedness necessary to help preserve the peace. Despite the rigorous demands of IFOR, we have been able, through careful planning, to sustain a robust training schedule for 1996, with 71 planned USEUCOM exercises. This ensures that forces not deploying to JOINT ENDEAVOR will remain ready to fulfill national tasking.

Our preparedness also allows the United States to use its position of trust to prevent the development of power vacuums and dangerous arms races, thereby precluding threats to regional security. By backing our commitments with ready forces positioned forward, the United States sends a clear warning of deterrence to nations that are inclined to pursue their aims through the destructive use of force. We also assure nations that might otherwise seek weapons of mass destruction that their security is better safeguarded through collective and cooperative mechanisms.

ENGAGEMENT AND PREPAREDNESS EQUALS SUCCESS

U.S. leadership, manifested through USEUCOM's engagement and preparedness, paved the way for dramatic successes in improved security and cooperation. JOINT ENDEAVOR, DENY FLIGHT, SHARP GUARD, and PROVIDE PROMISE were possible only because of our long history of positive engagement with our traditional allies which yielded the requisite support opportunities. Non-traditional allies have also recently supported our efforts. Albania provided basing for our Predator unmanned aerial reconnaissance flights. In addition to providing bases for U.S. forces at Kaposvar and Taszar, Hungary permitted USAF AWACs overflight in support of Operation DENY FLIGHT. Our peacetime engagement, and the resultant trust and cooperative spirit it engenders, built regional cooperation and helped guarantee these successes.

U.S. forces in NATO also benefit from this strong relationship in that many nations equitably share the risks and burdens of protecting common interests. NATO proved that it can adapt to the new security environment and remain cost effective by sharing responsibilities across a broad spectrum of operations. The new NATO, born out of the 1991 Rome Declaration's new *Alliance Strategic Concept*, not only provides an organization capable of defending the territory of its member states, but also fosters the emergence of a safer and more stable Europe. Last year, when the Bosnian Serbs ignored our demarche by shelling Sarajevo, NATO executed Operation DELIBERATE FORCE. This precise, robust use of airpower clearly fulfilled our political objectives and led directly to the successful Dayton peace negotiations and Operation JOINT ENDEAVOR.

The burden of these operations did not fall upon any single nation, but were instead spread across the entire Alliance and

beyond. Operation JOINT ENDEAVOR quickly evolved well beyond a U.S.-led NATO operation. U.S. leadership, made possible through active engagement, pulled virtually all the nations of the region together to achieve a common security goal. This facilitated rapid access to lines of communication, permission for basing, and flexible transit agreements. Thirty nations now contribute ground troops, basing rights, transit agreements, and economic aid to the war-torn Balkan countries. Nearly half these nations are not NATO members, but are members of Partnership for Peace (Figure 6).

NATIONAL FORCE CONTRIBUTIONS TO IFOR MULTI NATIONAL DIVISIONS (MND)



FIGURE 6

In addition to IFOR, we have had other strategic successes, brought about by our active engagement and sustained readiness. On

January 9, the air bridge to Sarajevo under Operation PROVIDE PROMISE concluded. United States led five coalition nations in this three and a half year humanitarian airlift operation. Operation PROVIDE PROMISE lasted almost three times as long as the Berlin Airlift of 1948 and at times provided 95% of Sarajevo's sustenance requirements: nearly 13,000 sorties -- over 4,500 of them flown by the U.S. Air Force -- and delivered over 165,000 tons of supplies to Sarajevo residents. TASK FORCE ABLE SENTRY, which deployed from Germany to Macedonia, has also been a major stabilizing influence in the region helping prevent the spread of the Balkan conflict.

Our relationship with Turkey provides another excellent illustration. U.S. engagement encouraged Turkey to enforce domestically expensive economic sanctions against Iraq. Because of our close military relations, the Turkish General Staff has supported Operation PROVIDE COMFORT. This multi-national operation in southern Turkey and northern Iraq enters its sixth year in April. A recent operational assessment concluded that PROVIDE COMFORT is fulfilling all of its objectives: preventing suffering in Northern Iraq; preventing further repression; weakening Saddam Hussein's regime; and preserving the territorial integrity of Northern Iraq. Furthermore, the multi-national coordination procedures that developed from this operation, such as the Combined Joint Task Force Concept, and other lessons learned from Operation PROVIDE COMFORT, will serve us well in IFOR and future coalition operations. American engagement in Turkey also ensures ready access to bases that are critical for executing our Major Regional Conflict-East contingency plans. It is significant that Turkey, one of the few modern, secular, Moslem democracies, placed first

priority on deploying and serving in the U.S. area of responsibility in Operation JOINT ENDEAVOR.

Furthermore, for the first time since World War II, Russian and U.S. forces are working together in a military operation. Our relations with Russia's military grow closer and more cooperative each day. As the operators work side-by-side in Bosnia, there is a clear demonstration of U.S. capability and goodwill. Colonel General L.P. Shevtsov, commander of the Russian forces in Bosnia has his office in the IFOR Coordination Centre at SHAPE. This practical co-location offers great possibilities and a concrete example of security cooperation. It represents an opportunity to remove some of the Russian suspicion toward the West while building confidence in our good intentions. I believe PfP has been our most valuable tool in remaining engaged with Russia and in consolidating democratic gains.

Arms control illustrates success in another area of engagement. Significant reductions in weapons have yielded corresponding reductions in tensions. For the past nine years, USEUCOM has been actively involved in arms control efforts. Nowhere in the world does the level or spectrum of activity in arms control match what is taking place in the USEUCOM theater of operations. Our daily efforts supporting compliance with the protocols and confidence building measures of the Intermediate-Range Nuclear Forces Treaty, Conventional Armed Forces in Europe Treaty, and Vienna Document 1994 set the highest example for the international community on how to responsibly participate in the international security process. These arms control examples have implications far beyond the boundaries of USEUCOM's Area of Responsibility (AOR). Nations in the Middle East, Asia, and South

America, have looked to the United States, and hence USEUCOM, as a role model for how to responsibly implement arms control regimes.

I intend to remain fully engaged and supportive of arms control initiatives before us today, and on the future horizon, including START I and START II, the Chemical Weapons Convention, Comprehensive Test Ban Treaty, African Nuclear Weapons Free Zone, and entry-into-force of the Open Skies Treaty. I will continue to monitor these developments closely, and carefully examine their effect on the capabilities of my command.

USEUCOM remains engaged in several critical operations that enhance national security. Our successes are made possible through sustained overseas presence. U.S. leadership and NATO provide a regional security structure that fosters cooperation and coordination. That structure pools the resources of many nations, and has established forward-based infrastructure and materiel that enable us to respond quickly to protect U.S. interests in this region. The result has been increased security for our citizens.

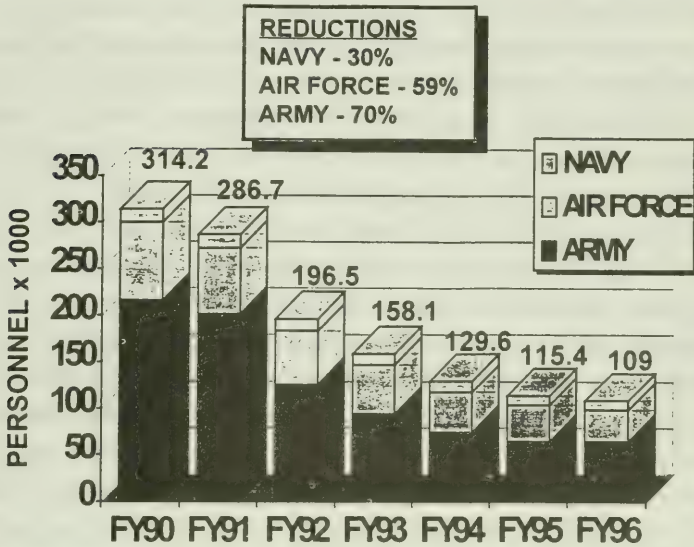
FORCE STRUCTURE

U.S. forces in Europe now have a higher operational tempo than during the Cold War. The absence of a Major Regional Conflict (MRC) does not mean USEUCOM forces are not actively engaged. On the contrary, USEUCOM-assigned forces from all services are involved in major operations in the Balkans (Operation JOINT ENDEAVOR), Northern Iraq and Turkey (Operation PROVIDE COMFORT), and the Former Yugoslav Republic of Macedonia (TASK FORCE ABLE SENTRY). In addition to these major operations, USEUCOM-assigned forces participate in numerous smaller operations on a daily basis and are prepared to execute potential missions throughout the

theater. As a result, forward-based USEUCOM forces work in concert with augmentation forces from other Unified Commands, the Reserve Components, and allied forces. We must maintain overseas presence and and the Bottom Up Review force levels to ensure successful *Engagement and Preparedness*.

The current USEUCOM force structure provides the essential elements necessary to support our efforts. Downsizing from Cold War levels in our AOR is complete. The current force structure of approximately 100,000 makes it possible for us to fulfill our commitments to the National Command Authority, to meet NATO requirements, to train at the international level, and to be reinforced quickly (Figure 7). This structure provides inherent flexibility and responsiveness necessary for regional missions. It also provides critical in-theater capabilities not readily available from the United States, such as intelligence and surveillance, communications, theater missile defense, and other vital capabilities. However, its relatively small size places great demands on our service members.

FORCE LEVELS FOR USEUCOM, 1989 to PRESENT



OVERALL REDUCTION - 65%

FIGURE 7

The key to reducing USEUCOM's personnel tempo (PERSTEMPO) to reasonable levels lies in the total force concept. USEUCOM relies on Reservists and Guardsmen, along with forces from other unified commands, to support Operations such as PROVIDE COMFORT and DENY FLIGHT. Reserve Components perform highly specialized and critical functions throughout this theater. Virtually all the Army's water production specialists, helicopter heavy lift units, chemical brigades, and civil affairs specialists are in the Army Reserve Component, making augmentation a prerequisite for many

contingencies. As the Chairman of the Reserve Forces Policy Board observed during a recent visit, USEUCOM is already using the Reserve Components in a way that matches his vision for the future. The total force concept is a way of life in USEUCOM.

Our Allies also fully contribute to regional security. The U.S.-NATO relationship can be best characterized as "responsibility sharing." But in the past few years, well-intentioned "burdensharing" legislation initiatives have threatened to undermine American overseas presence and put at risk U.S. regional objectives. The apparent appeal to fiscal considerations understates NATO's contribution to European security, masks the threat to U.S. interests in the USEUCOM AOR, potentially degrades U.S. leadership, marginalizes U.S. influence, and reduces America's access to the pooled resources of other nations. We must avoid the temptation to underestimate the European contribution to our common security.

I remain concerned about the depth in Army forces. We must not go below 10 well-equipped, manned, and trained active divisions. To do so would subject the U.S. to unacceptable risks. We must remember that it is service members on the ground executing the flexible engagement strategy overseas that actively mold the future security environment and prevent conflict. We need to guard against a purely CONUS-based projection force. For the third time this century, America could find itself in another extended conflict that might have been averted had we remained engaged through overseas presence. Adequate force structure is the bedrock upon which rests the preservation of America's regional interest. We have completed the post-Cold War downsizing and are now at a force level that permits us to implement the theater strategy. This reduced force level requires us to use our forces efficiently,

employing active duty and reserve augmentation forces to fill critical operational needs, enabling theater forces to fulfill operational requirements. We must also ensure we continue our successful efforts to fully leverage the contributions made by our Allies.

RESOURCES

For *Engagement and Preparedness* to remain successful and to ensure we are prepared for present and future missions, we must balance near-term readiness with infrastructure, quality of life, and modernization. First, readiness requires proper resourcing. Joint and combined training exercises are the basis for promoting stability and thwarting aggression. Through these, we ensure our people -- soldiers, sailors, airmen, marines and civilians -- are trained and ready to support immediate deployment to crisis situations in our AOR, or anywhere in the world, to meet national security objectives -- as we did when we deployed approximately 25,000 personnel in support of Operation JOINT ENDEAVOR. Secondly, infrastructure in our theater must support the full range of our operational requirements while also providing military members and their families facilities in which to live and work. The NATO Security Investment Program has fully transitioned to the new security environment. It provides America access to infrastructure and other resources at a dramatically reduced cost by allowing us to leverage the pooled contributions of 15 other nations. Finally, modernization is the key to our future capability. We must ensure that we maintain short-term readiness while preserving the modernization required for long-term readiness.

READINESS

We must preserve readiness to be able to execute missions concurrently while supporting ongoing operations. Throughout last year, USEUCOM forces were continually engaged in contingency operations such as JOINT ENDEAVOR, DELIBERATE FORCE, PROVIDE PROMISE, DENY FLIGHT, ABLE SENTRY, and PROVIDE COMFORT. In the past, these operations would have seriously threatened readiness and training. However, this year's line-item funding for Operation PROVIDE COMFORT sets an extremely important precedent for warfighting CINCs. Along with Congress' timely Supplemental Appropriation last year, these measures helped USEUCOM maintain the high operational tempo while minimizing the fiscal impact on Operations & Maintenance readiness accounts.

Operations & Maintenance dollars maintain readiness by funding training and exercises for our forces, and sustain our busy pace of operations. This funding allowed us to continue joint and combined training in important exercises such as TRAILBLAZER, 48 HOURS, POISED EAGLE, ATLANTIC RESOLVE, and AFRICAN EAGLE. These exercises train forces to exploit the synergistic effect of employing air, land, and sea forces in a coordinated effort. Without funding for contingency operations, we would be forced to pay for operations with our scarce training dollars. Your initiatives helped preserve readiness by providing funds that in the past were siphoned away from O&M accounts to pay for unscheduled contingency operations.

INFRASTRUCTURE

Infrastructure throughout the theater supports our people and our ability to perform the assigned mission. Our facilities drawdown is virtually complete and leaves USEUCOM at less than half of its Cold War infrastructure level. While the drawdown has

forced us to make tough choices on which facilities would remain open, we believe we have retained the capability to meet all requirements, and allow for future consolidation and flexibility.

This does not mean, however, that we have escaped the responsibility and requirement to continue facility upgrades and some new construction. We must continue to invest in our military installations both to maintain quality of life and ensure infrastructure is in place to support our national interests. Fewer facilities make those that remain even more important to our continued mission readiness. Our European infrastructure and bases provide the U.S. with access to this AOR and nearby regions that are vital to our influence abroad. It is central to sustaining supply lines and the ability to reinforce forward-deployed forces. Given the age and condition of our facilities, it is imperative that we continue to maintain, and in some cases upgrade, the remaining infrastructure to ensure it can meet increased demands.

I want to stress the importance of the NATO Security Investment Program (NSIP) in supporting U.S. interests. As a revitalized program, NSIP supports more than just construction. It supports our regional engagement by providing explicit mission capabilities. Our Allies fund 72% of this vital program; about 28 cents of U.S. investment buys one dollar's worth of infrastructure. The return we receive on this investment is impressive. Over the last five years, U.S. industries have received more than \$1.7 billion in high-tech contracts, including more than \$100 million in military construction contracts within the continental United States. Recent projects include \$12.4M for runway overlay projects at Lakenheath AB, England, and \$25.6M for parallel taxiway projects at Incirlik AB, Turkey. With the recent approval of the Aviano AB, Italy capabilities package, NSIP will provide \$215M (U.S. share

approximately \$69M) for construction of beddown facilities for two U.S. F-16 squadrons. NSIP is also expected to fund the \$30M Army War Reserve Package South warehouse construction in Livorno, Italy. This facility will store prepositioned, ready-to-use materiel for U.S. forces.

However, funding shortfalls for the U.S. contribution to NATO resulting from the FY95 rescission and a \$18M reduction in the FY96 appropriation have delayed funding for U.S. embarkation projects in CONUS and other needed projects that support power projection to the European Theater. I appreciate the support in Congress for the FY96 funding at \$161 million, but I need your assistance to prevent rescissions that will erode our warfighting capability and U.S. credibility.

QUALITY OF LIFE

I place a high priority on five quality of life issues. Military construction is one of the key factors in maintaining an acceptable quality of life for our people. Affordable and suitable housing for personnel overseas is especially problematic. Last year, you approved all quality of life military construction in USEUCOM. This helped our commanders provide the troops and their families with the living conditions necessary to sustain our high operational tempo. We must maintain our commitment to our people by investing in the infrastructure necessary to meet our mission and quality of life needs.

Second, our military and civilian personnel deserve adequate and fair compensation that keeps pace with the private sector. Related to compensation is the third issue, retirement. We must preserve a stable retirement system that does not break faith with our people by seeking fiscal savings through the retirement system.

This would constitute a betrayal of our people's trust and may risk serious damage to our force structure.

Next, we must provide our personnel a steady and dependable level of medical benefits. This is particularly challenging in the overseas environment where significant language and cultural differences exist.

Finally, overseas service members and their families deserve the same quality education their counterparts receive in the U.S. Fully funded Service tuition assistance programs are required for a professional force. DoDDS schools are also essential to USEUCOM as it is unique in terms of needs and requirements. In this theater, DoDDS provides logistical support for 123 DoDDS schools and 48,000 students. Some of our small schools are more costly to operate, but are essential to our readiness posture. We must continue to support our overseas schools with both operating funds and construction money.

MODERNIZATION

We must also continue to modernize our forces to meet the diverse requirements of this complex environment, but only within the context of a viable national and theater strategy. As a warfighting CINC, I rely on the Services to provide modern equipment. I make my equipment modernization needs and their significance to my AOR known to the Services, Joint Staff, and the Joint Requirements Oversight Council (JROC).

Mobility is a high priority, vital to supporting our *Engagement Strategy*. It is even more significant considering the drawdown in Europe. Strategic lift, combined with prepositioned materiel, is critical to fighting or supporting any major regional conflict or contingency operation in or near the USEUCOM AOR. I

fully support the Secretary of Defense's decision to buy 120 C-17s. The C-17 delivers critically important out-sized equipment directly to the battle front and has already proven itself in Operation JOINT ENDEAVOR. We are also improving our strategic sealift capability to provide heavy reinforcement and sustain theater logistics. We require sufficient amphibious lift to support a forced entry capability and a medium lift replacement helicopter for the Marines and Special Operations Forces.

Capabilities derived from C⁴I improvements will increase operational effectiveness through digitization of the battlefield, thereby improving commanders' situational awareness. The Joint Tactical Information Distribution System will improve combat identification, reduce fratricide and increase operational efficiency. But, we should not acquire enhanced C⁴I with the expectation that it will enable us to reduce overseas presence. Only forward-based forces are capable of promoting stability, thwarting aggression, and providing regional stability, thereby preventing possible conflicts. However, modernized information flow will enable Joint Task Force commanders to optimize highly mobile future systems such as the V-22 Osprey, RAH-66 Comanche, F-22, F-18E/F, DDG-51, the Advanced Amphibious Assault Vehicle, and the next generation of Armored Vehicles, Tactical Trucks, and Helicopter Fleets. JSTARS, for instance has already proven both its capability and deterrent value in JOINT ENDEAVOR.

Air superiority plays a crucial role in sustaining USEUCOM's warfighting credibility and its ability to project influence and power, when and where required. Control of the air is vital as an essential element of the fighting force and when responding to crisis situations, providing the flexibility to restore order. The F-22 and Joint Strike Fighter are critical investments in our

future warfighting and peacekeeping capability. We must also continue to upgrade the multi-mission aircraft that filled the gap left by our retiring specialized systems such as EF-111, RF-4, and F-4G aircraft.

In USEUCOM, we face a challenging theater missile threat, particularly in the southern region. Presently, our theater missile defense systems are limited in protection capability and force deployability. Just over the horizon are several new systems in the final stages of development that address the theater missile defense threat. We must work with and leverage our allies toward common systems, such as Medium Extended Air Defense System (MEADS), to field these systems in the near future.

We must continue to make wise choices that preserve current readiness, maintain infrastructure, and modernize our forces. Because of increased peace support operations and crisis response contingencies, I conduct many operations that cannot be foreseen. Contingency operations are often funded at the expense of readiness and training, but I am optimistic about recent initiatives that specifically fund these types of operations. Infrastructure is something we must continue to maintain and also provides an example of the successes we can achieve by leveraging the pooled resources of many nations. Finally, modernization affects the long-term readiness of our forces and I am concerned that in many cases we are paying for readiness and force structure with funds which were originally earmarked for modernization. Funding for modernization of key weapon systems ensures we can achieve our long-term strategic objectives.

CONCLUSION


The U.S. European Command (USEUCOM) is on the cutting edge of America's national security policy today and in the future. The U.S. forward deployed and stationed force of about 100,000 has demonstrated its importance in actual operations from the Balkans to Beirut and from Northern Iraq to Rwanda. The U.S. troops in Europe are well-trained, well-equipped and well-led. Although operations tempo is high, readiness of the force is also at a high level. The high professionalism of the force plus USEUCOM's policy of *engagement* and *preparedness* have paid off. The engagement strategy with former Warsaw Pact nations is creating stability in Europe as well as developing mutual trust and confidence between former adversaries and now new partners. Russia has joined NATO and the United States in Bosnia and is effectively integrated into the command structure and operations. Twenty-seven nations have joined NATO's Partnership for Peace Program and the USEUCOM-run George C. Marshall Center is actively engaged in educating future leaders of former communist countries. Already many of its graduates are assuming positions of responsibility in the military establishments of their nations. The NATO Alliance has demonstrated a new vigor and vitality in planning, organizing and executing Operation JOINT ENDEAVOR -- an operation to bring peace to the people of Bosnia who have suffered so much through four years of war. And it is USEUCOM that is providing the important support to the Bosnian operation -- not only in troops but also intelligence, communications, logistics, and strategic lift. By the forward deployment of U.S. troops in Europe, we are leveraging our Allies to do more in their own defense and creating more stable

conditions in an area of the world that has known two world wars in this century, and which remains critical to our national security.

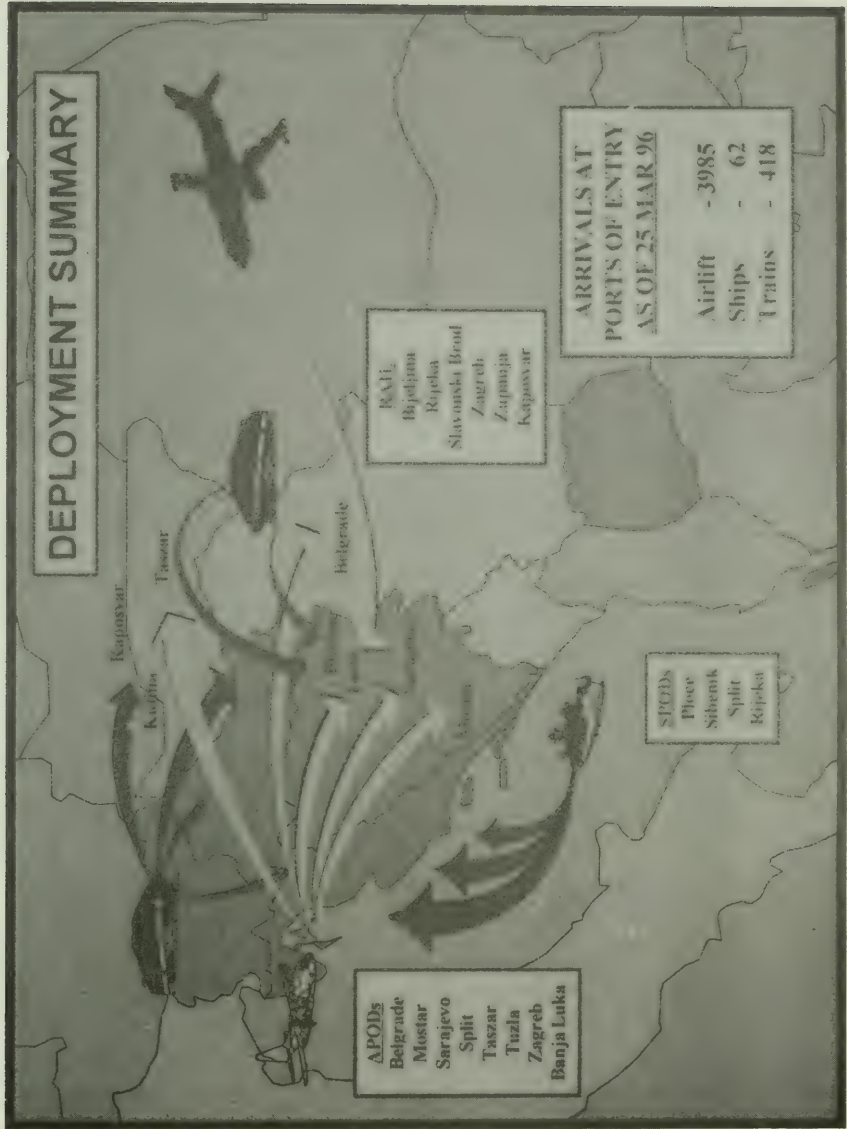
As a result of steady and sure U.S. engagement in Europe, the world is indeed a safer place. Peace has come to Bosnia. The PLO, Jordan, and Israel are moving toward a peaceful settlement of their decades long struggle and Syria may soon join them. NATO has made overtures for cooperation with Middle East countries and several in North Africa. Clearly NATO's engagement strategy is consistent with the United States foreign policy and national interest. And clearly USEUCOM's *Strategy of Engagement and Preparedness* is absolutely on track with U.S. policy and vision.

In 1996 and through the remainder of this century the United States, as the leader of NATO, has the historic opportunity to help create, from the Atlantic to the Urals, a Europe whole and free, democratic, stable and prosperous, with justice and respect for the rights of individual citizens. We have an opportunity to promote fundamental ideals and values as fragile democracies emerge. We not only can deter war but also preserve the peace. To do so is in the vital interests of the United States. To do so requires a focused, engaged, active forward deployed and stationed U.S. military force of 100,000 troops called USEUCOM. That force now exists! USEUCOM has adapted to the challenges of the New Europe. We must keep it trained and ready and provide adequate quality of life for the troops and their families. I am extremely grateful for the support of the Congress in the past and I know you will continue to do so in the future. ONE TEAM - ONE FIGHT!

U.S. European Command Area of Responsibility

- 
- A map showing the U.S. European Command Area of Responsibility, which includes Europe, North Africa, and the Middle East. The map is shaded in dark gray to indicate the area of responsibility. The Indian Ocean is labeled to the east of Africa. A legend box in the bottom left corner provides details about the area of responsibility and the support provided by USEUCOM.
- USEUCOM AREA OF RESPONSIBILITY:
 - 83 COUNTRIES
 - 13 MILLION SQUARE MILES
 - POPULATION OVER 1 BILLION
 - USEUCOM SUPPORTS JCS COORDINATION FOR MILITARY EXERCISES/NEO/CT
 - COUNTRIES OUTSIDE USEUCOM AREA OF RESPONSIBILITY

DEPLOYMENT SUMMARY



IMPLEMENTATION FORCE (IFOR) AREAS OF RESPONSIBILITY BOSNIA AND HERZEGOVINA



FORCE CONTRIBUTORS TO IFOR

*MND NORTH

UNITED STATES

RUSSIA
TURKEY
SWEDEN
DENMARK
NORWAY
POLAND
FINLAND
ESTONIA #
LATVIA #

LITHUANIA
ICELAND

*MND SOUTHEAST

FRANCE
ITALY
PORTUGAL
UKRAINE
EGYPT #
JORDAN
MOROCCO#

COMM-Z FWD
GERMANY

*MND SOUTHWEST

UNITED KINGDOM
CANADA
NETHERLANDS
CZECH REPUBLIC
MALAYSIA
SAUDI ARABIA #

ARRC
BELGIUM
GREECE
LUXEMBOURG
AUSTRIA
HUNGARY
ROMANIA #

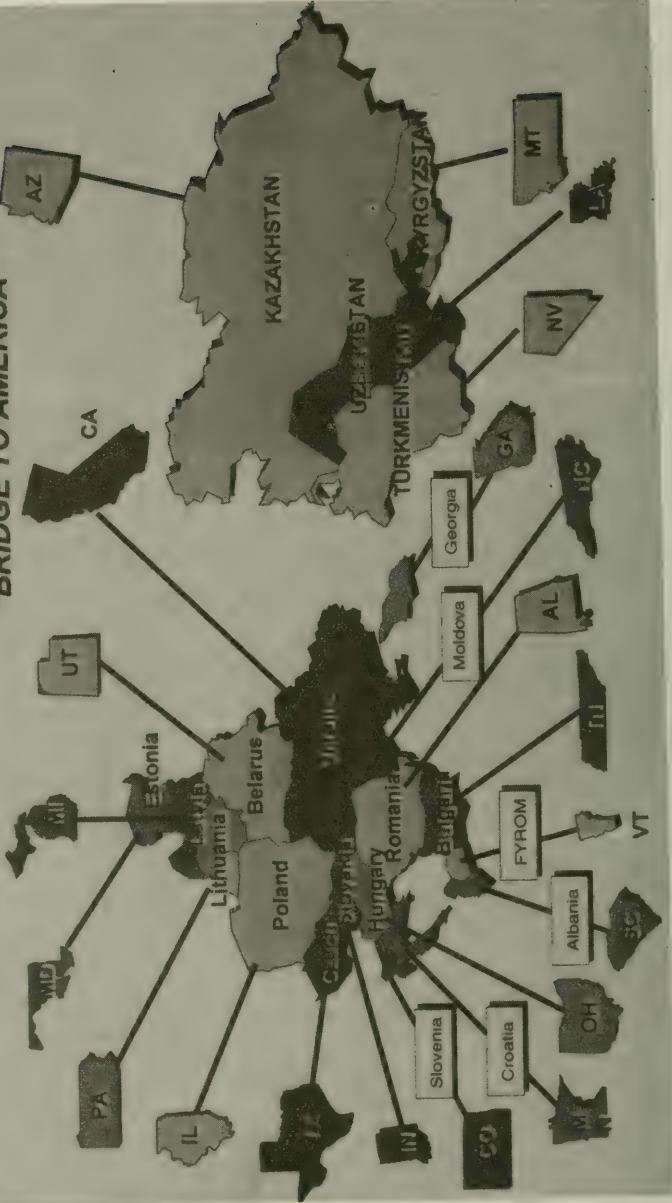
* MND = Multi National Division
Future Deployments

PARTNERS FOR PEACE STATUS

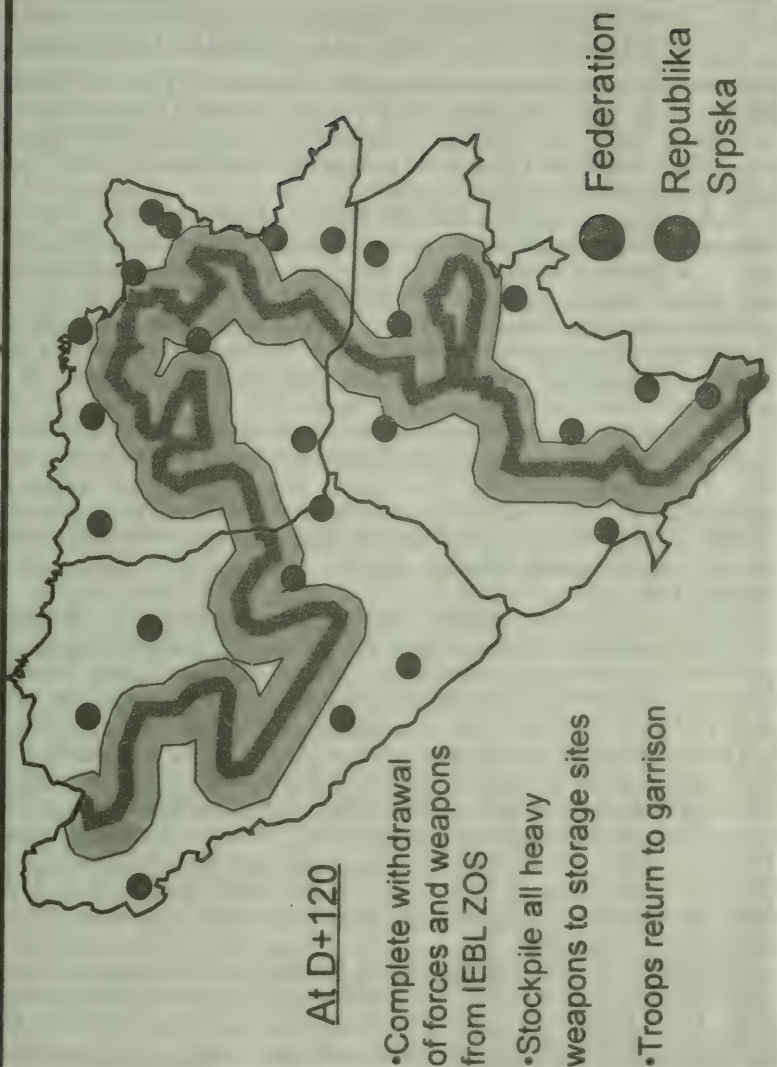


State Partnership Program

"BRIDGE TO AMERICA"



D+90 - D+120 Compliance



The CHAIRMAN. Thank you, General Joulwan. General Peay.

**STATEMENT OF GEN. J. H. BINFORD PEAY III, USA,
COMMANDER IN CHIEF, U.S. CENTRAL COMMAND**

General PEAY. Good morning, Mr. Chairman, it is a privilege and honor to be with this committee to represent the servicemen and women of the U.S. Central Command and to have the opportunity to discuss Central Command's approach to meeting the very vast challenges of the central region.

The 20 nations of the Middle East and Africa within our area of responsibility comprise a region rich in culture and history and a place of ancient rivalries that die very hard. America's vital interest in the region include maintaining the flow of oil at reasonable prices, ensuring freedom of navigation and access to commercial markets, protecting American citizens and property abroad, and assuring the security of our regional friends in the context of a comprehensive Middle East peace process.

Other regional interests include countering the proliferation of weapons of mass destruction, WMD, deterring terrorism, stemming the flow of narcotics in the region, encouraging democratization, advancing economic development, and promoting respect for human rights. Safeguarding these diverse interests is problematic. Much of the oil must transit through narrow straits that can be very easily interdicted.

At the same time, historic, internal, and external conflicts rooted in long-standing religious and tribal strife, border disputes, competition for resources, economic strains and exploding populations plague the region. These conditions give rise to terrorists that employ violence to achieve political ends.

The willingness of nations such as Iraq, Iran, and Sudan to support such groups accentuates this danger. From its reorganized and streamlined forces and refurbished military hardware, Iraq remains the most dangerous near-term threat to regional peace and stability. Iran, meanwhile, is the long-term threat striving to capitalize on its large oil reserves, skilled engineers and technicians, and considerable population to control the gulf and lead the Islamic world in the future.

Elsewhere in the region, Pakistan and India remain locked in an antagonistic relationship that could further deteriorate, escalating from border clashes to a fourth round of war. Tensions flowing from Iraqi and Iranian mischief combined with other seething regional hatreds are inflamed by the proliferation of chemical and biological weapons, ballistic missiles, and the ongoing efforts of such nations as Iraq and Iran to acquire nuclear devices. Armed with such deadly weapons, a hostile power may be able to strike unprotected civilians, paralyze our governments with fear and with indecision, and evade and erode the coalition resolve.

We at U.S. Central Command understand the nature of these threats. I think we are able to identify threat capabilities and are focused on devising appropriate countermeasures. Our efforts are complicated by having to operate over lines of communications extending more than 7,000 miles from the United States to the gulf, while a foe, a potential foe like Iraq is only a few hours driving

time, Baltimore to Richmond, in terms of impacting on Kuwait City and surrounding the very, very important oil facilities.

In addition, our operational plans must account for limited formal agreements, manifesting sensitivities to regional cultures, be able to defeat adversaries ranging from terrorists to modern armies, navies, and their air forces and contend with some of the world's harshest climates and terrain.

U.S. Central Command's five-pillar strategy of power projection, forward presence, combined exercises, security assistance, and readiness to fight attempt to address these dynamics and focus on creating conditions in peacetime that would produce victory in terms of crisis or war.

I would like to elaborate on each of those pillars during the course of discussion this morning. Through this theater strategy Central Command promotes stability, deters aggression, limits the intensity of conflict should deterrence fail, and fights and wins decisively if and when required.

Pivotal to our ability to respond to regional threats and execute our strategy is your continued support in some key areas. Let me briefly address those.

First, prepositioning of equipment in the region remains a top. It accommodates rapid deployment of forces to the region during crisis response and their subsequent sustainment. Prepositioning ashore is particularly important for it positions critical weapons and equipment forward in the region. It cements in its own way regional partnerships and facilitates coalitions during crisis. Recent successes include completion of the prepositioning of an Army brigade set of equipment in Kuwait and a first battalion set of equipment in Qatar with much yet to do.

Work continues on finishing the prepositionings of this set and the division base and, hopefully, prepositioning a third brigade set ashore someplace in the region and the requisite military construction that goes with that. I ask specifically today for your support to rapidly finish the gutter preposition set.

Second, strategic lift remains critical to projecting power into the region. To this end, we need the rapid buyout on the C-17, the large, medium-speed roll on-roll off ships, RO-RO, and the RO-RO upgrade to the Army preposition equipment afloat, planned enhancements to the Ready Reserve Fleet, maritime preposition force, and fast sealift ship maintenance, and program improvements to other activities that facilitate this rapid power projection from the continental United States.

Third, theater missile defense is a critical part of countering the proliferation of ballistic missiles and technology related to the development of nuclear biological and chemical weapons. We need a multilayered missile defense that handles lower and upper-tier requirements on land and sea and a highly mobile missile defense that protects dispersed rapid movement ground forces Army and Marine forces at a distance from ballistic and cruise missiles.

Fourth, improvements in air, ground, and sea strike capabilities are needed to support the high tempo, joint and combined in the region and to also defeat the WMD threat. Such enhancements leverage the complementary capabilities of each of the services and

America's technological advantages in long-range precision munitions to mitigate the friction in the fog of war.

Fifth, limited forward-based infrastructure combined with the great distances over which we must operate necessitate a command control communications and intelligence architecture that allows us to effectively and securely gather, process, distribute and display on demand information of all types and classifications to our commanders and their staff.

Sixth, just as Gen. George Joulwan mentioned, international military education and training, IMET, in foreign military financing programs provide our Nation extraordinary opportunities to assist friendly states in meeting their legitimate self-defense needs while gaining access deterring conflict and promoting stability and democratic ideals.

Just recently General Karamount took over as Chief of Staff of Pakistan, a Leavenworth graduate in Kansas. We appreciate Congress' support during the past year to increasing funds for the IMET program.

Seventh and last, each of the services must be of sufficient size to simultaneously deter and fight, to carry out peacetime operational commitments, maintain readiness, and sustain first-rate military educational institutions and training programs. While advanced technologies are a central part of our overall military capabilities, it is not a panacea for solving our operational challenges.

Military success in the fog and friction of war requires such advanced weaponry be integrated with a well-crafted operational strategy, sound tactics, well-trained, educated and supplied military organizations, competent, expertly led soldiers, sailors, marines, and airmen.

The United States is at a historic crossroads where it has the chance to reshape the shifting strategic landscape in the central region and perhaps contribute to ending the bloody cycle, hopefully, of war and misery. We must remain resolute in confronting the opponents of misery and despoilers of peace.

We at Central Command stand ready today to meet the challenges. I think our mission and our vision are clear. We look forward to working with each of the military services, the Department of Defense and especially the Members of Congress in the coming months to protect America's vitals and important interests in the central region.

Thank you, very much, sir.

[The prepared statement of General Peay follows:]

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UNTIL RELEASED BY THE
HOUSE COMMITTEE ON NATIONAL SECURITY

STATEMENT OF

GENERAL J. H. BINFORD PEAY III, USA

COMMANDER IN CHIEF

U. S. CENTRAL COMMAND

BEFORE THE HOUSE COMMITTEE ON NATIONAL SECURITY

28 MARCH 1996



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HOUSE COMMITTEE ON NATIONAL SECURITY

**FIVE PILLARS OF PEACE:
POSITIONING U.S. CENTRAL COMMAND TO MEET THE CHALLENGES OF THE
CENTRAL REGION**

INTRODUCTION

United States Central Command (USCENTCOM) is responsible for U.S. military matters in a region of major importance to our nation and to the entire international community. Everyday, we face a variety of animosities and conflicts that pose multiple threats. At the same time, we stand to gain from rewarding economic relationships, political partnerships, and diplomatic cooperation. Achieving such benefits hinges on mastering the complexities of the region and addressing the road blocks to peace and stability.

USCENTCOM's area of responsibility consists of 20 countries that stretch from the Horn of Africa and Egypt through Jordan and the Gulf states to Afghanistan and Pakistan and includes the Red Sea, Gulf of Aden, Gulf of Oman, Arabian Gulf and a large portion of the Indian Ocean. Rich in culture and history, the region is the birthplace of Judaism, Christianity, and Islam. Home to 427 million people making up 17 different ethnic groups, 420 tribal groupings, six major languages, and hundreds of dialects, it is a place of ancient hatreds that die hard.

USCENTCOM's theater strategy reflects a sensitivity to these lands and people gained through years of detailed planning and painstakingly developed relationships with regional friends. To consummate our national resolve, the Command has at its disposal the full complement of capabilities of the national military arsenal. This has been demonstrated time and again. Operation VIGILANT WARRIOR in the Gulf in the Fall of 1994, in which U.S. and coalition resolve deterred a repeat of the August 1990 invasion of Kuwait; Operation UNITED SHIELD in Somalia during the Spring of 1995, in which a U.S. led combined joint task force withdrew UN peacekeepers from that troubled land; and Operation VIGILANT SENTINEL in Kuwait in September 1995, in which the Command once again stood firm against Iraqi adventurism -- all are testimony to USCENTCOM's readiness and ability to employ the right mix of military forces to achieve national goals. USCENTCOM's theater strategy offers a method for dealing with regional challenges and establishes the strategic, operational, and tactical requirements that guide preparation of plans, training of forces, and acquisition of weapons and equipment.

REGIONAL DYNAMICS AND THREATS

The economic well-being of the United States and other nations is dependent on assuring access to the oil buried beneath the sands and waters of the Central Region. Some 65 percent of the world's proven oil reserves are located in the region, which

supplies the United States 19 percent of its needs, Western Europe 42 percent, and Japan 70 percent. Indications are that these numbers will climb five to ten percent over the next decade. We ignore at our own peril the economic interdependence among the U.S., Europe, and Japan. Disruption of oil supplies or significant increases in the price of oil would devastate these economic linkages and produce global financial upheaval. From the U.S. perspective alone, the oil trade is part of a vibrant economic relationship between the U.S. and the Middle East that includes construction and health services, consumer goods, and sales of military equipment. These factors underscore that barring the development of a comparable energy source, maintaining the flow of reasonably priced oil and ensuring freedom of navigation and access to commercial markets are vital interests of our country.

Other vital interests include protecting American citizens and property abroad and assuring the security of regional allies in the context of a comprehensive Middle East peace. The Central Region is a dangerous neighborhood, where regional threats have global implications. America cannot protect its interests abroad through neo-isolationist policies or by ignoring the region. Similarly, our nation's long standing effort to broker a comprehensive Middle East peace between Israel and its neighbors demands our continued presence and reassurance. Other U.S. interests associated with this region include countering

proliferation of weapons of mass destruction (WMD), defeating terrorism, stemming the flow of narcotics from the region, encouraging democratization, advancing economic development, and promoting respect for human rights.

Safeguarding these vital and enduring interests is problematic. Much of the oil must transit through narrow straits -- choke points that are vulnerable to interdiction. Chronic unrest in the form of 14 internal or external conflicts plague the region daily. Such conflicts are rooted in long standing religious and tribal strife, border disputes, competition for resources, economic strains, and exploding populations.

In the context of this discord, Egypt, a cornerstone of the American led effort to achieve a comprehensive Middle East peace, is battling political and religious extremists. These destabilizing parties are supported by Sudan, a nation that is sponsoring unrest throughout the area, to include Ethiopia, Eritrea, and Kenya.

Elsewhere in the region, Pakistan struggles against an array of problems that hamper realization of its national goals. First and foremost is its historic antagonistic relationship with India, which is exacerbated by the long standing dispute over Kashmir. The Kashmir dispute has the potential to escalate from

border skirmishes, a larger conflict, or even a fourth round of war that could conceivably include the use of nuclear weapons. Pakistan must also cope with widespread political corruption, human rights violations, rampant drug trafficking, terrorism, and poor economic conditions that threaten the country's internal stability. Additionally, protracted civil war in Afghanistan has plagued Pakistan with a flood of refugees and an additional source of political upheaval. Finally, competition over access to Central Asian Republic markets has severely strained its relations with Iran. Taken together, these vexing, long-term challenges indicate that Pakistan faces a difficult future.

Most significant, Iraqi and Iranian virulence exacerbate these other sources of regional tension. Iraq has a long-standing tradition of intimidating smaller neighbors while Iran seeks hegemony in the Gulf.

Though it lost more than half of its conventional military might in the 1991 Gulf War, Iraq has reorganized and streamlined its forces and refurbished its military hardware to sustain a sizeable army and retain its position as a regional military power. This, combined with Baghdad's defiance of post-war United Nations Security Council resolutions, alarms neighboring states. As the crisis of October 1994 demonstrated, Iraq retains the capability to mobilize and move large numbers of forces quickly to threaten Kuwait and Saudi Arabia. These factors support the

USCENTCOM contention that lifting UN sanctions under current conditions will inevitably lead to Iraq's rearmament.

In the seventeenth year of its revolution, Iran strives for control of the Gulf while also seeking to become leader of the Islamic world. Its large oil reserves, skillful engineers and technicians, and considerable population gives it the potential to achieve its hegemonic ambitions. Iran has extensive weapons development and procurement programs that have led to the acquisition of submarines, modern attack aircraft, and anti-ship missiles. Concurrently, Tehran has underwritten political and religious extremists worldwide, militarized disputed islands in the southern Arabian Gulf and has sought to torpedo the Middle East peace process.

Tensions flowing from Iraqi and Iranian mischief, combined with other seething regional problems, are exacerbated by the proliferation of weapons of mass destruction. Iraq and Iran are just two of many nations worldwide that have been hard at work during the last few years seeking to acquire ballistic and cruise missiles and nuclear, biological, and chemical weapons. Their quest has been eased by the willingness of nations such as North Korea, China, and some former Soviet Republics to sell advanced weaponry to anyone that can afford them. Furthermore, older systems can be upgraded with purchases of "off-the-shelf" technology. Armed with such deadly weapons, a hostile power may

be able to slaughter unprotected civilians, paralyze governments with fear and indecision, and erode coalition resolve. This situation becomes even more alarming as potential foes continue to harden and conceal command and control, launch, and storage sites, making it more difficult for U.S. armed forces to find and strike them, should it become necessary.

USCENTCOM's THEATER STRATEGY

We at USCENTCOM understand the nature of these threats and are able to discern their capabilities. We cannot, however, always predict threat intentions, specifically how and when these threats will endanger U.S. interests. Under the circumstances, we must focus primarily on threat capabilities and devise appropriate countermeasures. We must do this in support of a mission defined by the National Security Strategy (NSS), National Military Strategy (NMS), and Joint Strategic Capabilities Plan (JSCP), which includes the following elements:

- * Promote and protect U.S. interests
- * Ensure uninterrupted access to regional resources
- * Assist friendly states in providing for their own security and contributing to the collective defense
- * Deter attempts by hostile regional states to achieve geopolitical gains by threat or use of force

Designing a theater strategy that satisfies this manifold mission is an arduous undertaking. We must operate over lines of communication extending more than 7,000 miles between the continental United States and the Gulf. A potential foe like Iraq, conversely, is only a few hours driving time from Kuwait City and surrounding oil facilities. Our operational plans must account for limited formal agreements with regional states. Associated operations and policies must manifest a sensitivity to regional cultures. All the while, U.S. forces must be able to defeat adversaries ranging from insurgents to armies, navies, and air forces armed with advanced weaponry. But they must also be sufficiently versatile to contend with terrorists, narco-traffickers, and environmental and human disasters. Finally, they must be able to do all of these things in some of the world's harshest climates and most rugged terrain.

We at Central Command have incorporated these imperatives into our operations. We are guided in the accomplishment of the mission by a clear vision: *to be a flexible and versatile command -- trained, positioned, and ready to defend the Nation's vital interests, promote peace and stability, deter conflict, and conduct operations spanning the conflict continuum; and prepared to wage unrelenting, simultaneous, joint and combined operations to achieve decisive victory in war.*

In the spirit of this vision, USCENTCOM carries out a multifaceted strategy to address mutual security concerns of the United States and its regional partners. This strategy focuses on promoting peace and stability, deterring conflict, limiting the intensity of conflict should deterrence fail, and prevailing in combat operations when required. It provides a flexible approach to meeting the needs of each subregion and is particularly applicable to the Gulf states. In addition, it capitalizes on personal relationships forged with regional friends over the years.

While retaining the capability to act unilaterally to defend America's interests, USCENTCOM is guided by the perspective that our nation's long-term goals are best served by pursuing cooperative relationships. These serve as the basis for establishing coalitions and for deploying and employing U.S. forces during crisis. Achieving such partnerships and building coalitions is made possible through a long-term and flexible, three-tiered approach to deterring aggression and fighting if deterrence fails. The first tier, national self-defense, calls for each nation to bear primary responsibility for its own protection. During heightened regional tensions or hostility, friendly states would form the second tier, collective defense. This is reflected in the Gulf Cooperation Council's (GCC) Peninsula Shield Force. Finally, in the third tier, United States and other extra-regional partners would join to defeat a

threat to the region. In addition to deterring conflict, this three-tiered approach and associated initiatives strengthen links between United States and friendly regional militaries -- links that promote peace and stability.

These fundamentals underpin a theater strategy comprised of five core elements or pillars: (1) Power Projection; (2) Forward Presence; (3) Combined Exercises; (4) Security Assistance; and (5) Readiness to Fight. Together, these five pillars and their interrelationships lay out the major activities that this Command undertakes to accomplish its mission.

The first pillar, Power Projection, defines activities and qualities of U.S. armed forces that support rapid projection of extra-regional forces into the Central Region and their combat positioning. Transporting these forces the long distances to the Central Region in a timely fashion, in order to influence friends and foes during crisis response and to support the build-up of combat power during the lodgment phase of combat operations, calls for aircraft like the C-5 and C-17 and ships like the Roll-On/Roll-Off transports. It also means exploiting our nation's ready reserve force and inventory of modern civilian air and merchant fleets. Meeting stringent deployment schedules entails access to and exercising overseas airfields and seaports. Reducing the window of vulnerability to friendly forces arrayed in defensive positions means drawing on the 14 ships carrying an

Army brigade set of equipment afloat, the Air Force's three logistic ships carrying critical supplies and ammunition, and the Marine Corps' Maritime Prepositioning Force (MPF). This last contingent consists of three Maritime Prepositioning Squadrons (MPSRONS), each one able to support a Marine Expeditionary Force (Forward) of over 17,000 personnel with supplies and equipment for 30 days. With these capabilities, USCENTCOM can quickly move Army and Marine forces by air to link up with equipment arriving aboard prepositioned ships. Sustaining U.S. forces effectively over long distances also means acquiring the technology and advanced procedures that support split-based logistic operations, logistics over the shore, a secure communications network, and an advanced, computerized total asset visibility capability. To ensure that all activities are properly sequenced and priorities established, Central Command is continuing to refine plans, review force deployment requirements, and clarify movement priorities. Combined, these efforts reduce the formidable time-distance hurdles to projecting military force into the region and the vulnerability of our logistics infrastructure to enemy attacks.

The second pillar, Forward Presence, is the most visible demonstration of U.S. commitment. With few permanently assigned forces, and as the only regional unified command that is not forward positioned in its area of responsibility, USCENTCOM relies on forward presence to deter conflict, enhance access, and

support the transition from peace to war. This is achieved by maintaining a balanced mix of air, land, sea, and special operations forces, structured to provide lethal combat power forward while minimizing the size of the U.S. footprint in the region.

With its relatively small footprint, strategic agility and significant combat punch, naval forces are well suited to meet competing operational requirements. Under the command of U.S. Naval Forces Central Command and Fifth Fleet, our naval component regularly includes a carrier battle group, an amphibious ready group, mine countermeasure ships, and cruise missile-equipped surface ships and submarines. In addition to supporting recent operations in Kuwait and Somalia, USCENTCOM's naval forces show the flag daily, secure freedom of navigation in narrow channels, and stand ready to confront aggression with aircraft and missile delivered precision fires. They also enforce maritime intercept operations pursuant to UN sanctions against Iraq, carrying out nearly 23,000 challenges, more than 12,000 interceptions, and nearly 10,000 boardings since August 1990.

Naval amphibious forces, the Amphibious Ready Group (ARG) and its associated Marine Expeditionary Unit (Special Operations Capable) or MEU(SOC), provide a robust rapid response capability. This was demonstrated in October 1994, when ships of the Tripoli ARG arrived in the Northern Arabian Gulf, and Marines of the 15th

MEU(SOC) went ashore in Kuwait as Army forces arrived by air to man prepositioned equipment; in March 1995, when Marines carried out the withdrawal of UN forces from Somalia; in the Fall of 1995, when Marines went ashore at Aqaba in Jordan and were prepared to counter possible Iraqi moves against Kuwait; and in several other episodes where Marines stood ready to carry out noncombatant evacuations and other types of operations.

Complementing these naval forces is a compact but lethal package of Air Force aircraft. The 4404 Air Wing (Provisional) conducts Operation SOUTHERN WATCH under the command of Joint Task Force Southwest Asia (JTF-SWA), securing the skies over southern Iraq, carrying out operations to protect the Arabian Peninsula and preventing Saddam's air forces from attacking Iraqi Shiites. Its aircraft have flown over 80,000 sorties, more than 62,000 over southern Iraq alone since August 1992. In addition to these air resources, we have recently begun deploying an Air Expeditionary Force (AEF) on a periodic basis. Comprised of a combination of aircraft offering a capability roughly comparable to that of a carrier air wing, the AEF further bolsters U.S. forward presence.

Of particular value is JTF-SWA's capability to orchestrate coalition air operations. This was demonstrated in both Operations VIGILANT WARRIOR and VIGILANT SENTINEL, in which

JTF-SWA employed its advanced command and control apparatus to pull together disparate land and sea-based aircraft and organize them for combat operations. Armed with its potent mix of reconnaissance, air-to-air, air-to-ground, and support aircraft, this forward deployed air package enhances regional defensive capabilities, promotes rapid build-up of U.S. air power during crisis, and is able to pummel attacking enemy forces in the first hours of hostilities.

Forward deployed Patriot batteries and special operations teams constitute the ground dimension of forward presence. More limited in scope than forward positioned air and naval forces, these units are, nonetheless, an important part of deterrence. Patriot batteries, for example, can counter enemy ballistic missiles by safeguarding key facilities. Special operations troops, meanwhile, serve as an important link in achieving interoperability with regional militaries and reducing the risk of fratricide.

Forward presence extends beyond forward positioned forces. It includes work being done to emplace unmanned command and control facilities in the region to compensate for the absence of a permanently established and manned forward headquarters. Another dimension is the prepositioning of equipment ashore in the region. Such prepositioning is a strategic linchpin that complements strategic lift and prepositioned stocks afloat. In

addition to reducing time-distance challenges and related risks to early deploying forces, prepositioning ashore cements the coalition and strengthens access to regional states. In a crisis, prepositioning facilitates sustainment of theater forces and rapid introduction of mechanized ground forces. These qualities further enhance the deterrent effect of forward positioned forces.

Significant progress has been made during the last four years in concluding Defense Cooperation Agreements (DCAs) that have allowed the erection of storage sites throughout the region for Air Force bare base sets (Harvest Falcon), Navy forward logistic sets, water and fuel distribution equipment, medical supplies and infrastructure, support vehicles and equipment, and rations. A main feature of this effort is the prepositioning of an Army heavy brigade set of equipment (two armor battalions and one mechanized infantry battalion) in Kuwait. Substantial progress has also been made in placing a second brigade set of equipment with a division base in Qatar, with the first battalion task force being positioned this past January. Concepts are also being explored to position a third brigade set elsewhere in the region. Completion of these efforts near the end of the decade will provide a mechanized division set of prepositioned equipment ashore - greatly enhancing U.S. operational flexibility to deal with the full range of threats in the region.

The third pillar, Combined Exercises, enriches the other elements of the theater strategy. Divided into three phases, our exercise program mirrors the three tiered approach to regional defense. Phase I includes relatively small scale, bilateral activities that hone small unit and individual combat skills, foster military-to-military relationships, and broaden access. Using these small-scale operations as a base, Phase II builds joint and combined force capabilities in individual countries that improve regional collective security and enhance interoperability among regional partners. Phase III, Theater Unified Operations, is USCENTCOM's exercise end state and consists of periodic joint and combined exercises involving multiple regional militaries. Such exercises offer a rigorous and stimulating training environment for coalition warfighting. Together, all three phases advance power projection, bolster forward presence, and enhance regional deterrence.

USCENTCOM is on track in achieving its goal of generating a combined warfighting exercise capability with 14 regional states by 2001. In FY95, for example, the Command conducted a total of 85 air, land, sea, and special operations exercises. At the same time, these exercises reflect the Command's on-going efforts to reduce the high level of U.S. military operational tempo. We have decreased the number of small-scale exercises and streamlined and consolidated others in order to carry out more joint and multinational training activities. Recent initiatives

in Bahrain, Egypt, Jordan, Kuwait, Qatar, Oman, Saudi Arabia, United Arab Emirates and Pakistan have improved basic war fighting skills and, more importantly, strengthened access. This trend will continue with the conduct of exercises such as BRIGHT STAR, a biennial field training exercise conducted in Egypt; ULTIMATE RESOLVE, a command post exercise conducted in various Gulf states on an annual basis; and INTRINSIC ACTION, a joint, multinational field training exercise conducted in Kuwait several times a year. During the past year, we have witnessed continued progress in the ground force capabilities of regional friends and even greater improvements in their air, naval, and special operations capabilities. We expect to see even more gains in coming years as friendly regional militaries continue to modernize, acquire more experience working together and with U.S. forces, and overcome the perennial hindrances to their own military readiness.

The fourth pillar, Security Assistance, provides another path for improving military readiness of regional friends, training their forces, promoting interoperability, gaining access, strengthening military to military relationships, and increasing over time the ability of states to provide for their individual and collective defense. It is composed of four elements: Foreign Military Sales, Foreign Military Financing, Mobile Training and Technical assistance field teams, and International Military Education and Training. Each of these

activities support our aim of putting regional defensive arrangements in place, while allowing the U.S. control over arms transfers.

Foreign Military Sales (FMS) in the Central Region have accounted for a large proportion of America's worldwide total: 42 percent for FY90-FY95, with regional sales in FY95 amounting to \$1.75 billion or 18% of the worldwide total. Most regional friends prefer U.S. hardware and have negotiated for major systems to include F-15 and F-16 fighters, Abrams tanks, Bradley fighting vehicles, Patriot missiles, and Apache helicopters. Regional friends are also purchasing a wide assortment of military equipment, training, maintenance, and follow-on logistic support. These sales are an important part of upgrading regional militaries, boosting interoperability among U.S. and local forces, and are beneficial to American industry. This effort is buttressed by a more modest military funding program that provides grants and transfers of excess defense articles to regional friends. In this way, we are able to help strategically important but economically disadvantaged countries meet legitimate self-defense needs while broadening U.S. access.

Modern weapons alone do not produce reliable and combat ready forces. Comprehensive training is required to mold skilled, highly motivated soldiers and competent leaders. To this end, the U.S. depends on 600-1,500 civilian contractors and

military personnel organized into mobile training and technical assistance teams that operate continually in the region. Through these teams, we improve regional military proficiency, strengthen relationships, and reinforce our forward presence.

These efforts are supported by the International Military Education and Training (IMET) program, which enables regional military members to study and train at American military educational and technical institutions. The introduction of U.S. doctrine and training to foreign leaders and their personal contact with American military and civilian communities advance long-term relationships while improving the technical skills of foreign military leaders. What's more, instruction on topics such as respect for fundamental human rights and civilian control of the military may promote, over time, responsible defense management and democratic values in regional states.

The fifth and final pillar of our theater strategy, Readiness to Fight, ensures the battle staffs of USCENTCOM headquarters and service components possess the equipment, procedures, and skills to deploy rapidly during crisis and conduct high tempo joint and multinational operations.

We achieve battle staff readiness through rigorous exercises. In addition to those that it conducts in the region, the Command engages in three others in the U.S.: INTERNAL LOOK,

a command post exercise conducted biennially involving all components; ROVING SANDS, a joint theater missile defense command post and field training exercise conducted biennially; and BLUE FLAG, an air operations command post exercise conducted annually. Collectively, these exercises enhance battle staff proficiency on all combat functions.

The Command's readiness also requires an assortment of programs and systems that allow it to carry out military operations in the Central Region and support the style of fighting envisioned.

To reinforce the capabilities of our active components, we must exploit the fullest capabilities of U.S. military reserves. Individual Mobilization Augmentees (IMAs), Army Guard and reserves, air guard crew members, and Naval and Marine reserves are central to the performance of key staff functions such as air and sea lift, port opening, air operations, civil affairs, psychological operations, and combat service support. These forces must be equipped, prepared, and trained for early deployment. Given the nature of future threats, reservists can expect early mobilization during crisis response.

Our intellectual preparation for handling future crises requires support for our nation's individual service and joint professional military education (PME) programs. The Army War

College at Carlisle, Pennsylvania; Air War College and Air Command and Staff College at Maxwell Air Force Base, Alabama; Naval War College at Newport, Rhode Island; Army Command and General Staff College at Ft. Leavenworth, Kansas; Marine Corps Command and Staff College, and Marine Corps University at Quantico, Virginia; and scores of other educational and technical training centers located throughout the United States embody the magnificence of the American military's advanced educational infrastructure -- national treasures that are the intellectual well-spring of America's armed forces and the envy of other nations around the world. This professional education is the basis for an officer and noncommissioned officer corps that thinks creatively, reasons critically, acts innovatively, and operates decisively in the face of ambiguity and uncertainty. Our nation's success in one military operation after another is testimony to the excellence of the faculties that toil at these institutions; faculties that offer a legacy of security to future generations of Americans. No other nation can replicate our military educational system. Success on future battlefields dictates that we remain resolute in maintaining the high quality of our professional military schooling.

Achieving military success in the region in the mid- and long-term requires acquisition of counters to ballistic and cruise missiles and WMD warheads; counters that devalue WMD warheads and make them less attractive to hostile states. In

this vein, we must field a lower and, when ready, an upper tier missile defense that will protect our ships, littoral-based forces, and critical facilities, particularly in the initial stages of deployment and force buildup. In addition, we need a highly mobile missile defensive system that can defend dispersed, rapidly moving Army and Marine ground maneuver forces against cruise and short range tactical ballistic missiles. We must also take action to mitigate the effects of chemical and biological weapons by fielding improved protective clothing, monitoring devices, identification and decontamination capabilities, and vaccines and antidotes. As the WMD threat evolves, so must our forces and our operational concepts.

To facilitate attack operations, we support the fielding of systems and precision munitions for all the Services that support target detection at extended ranges, compress sensor-to-shooter times, achieve synergism among weapons, provide rapid battle damage assessment, and overwhelm the enemy with a cascading, continuous, all-weather, round-the-clock pounding on the ground, sea, and in the air.

Readiness to fight also means having advanced secure battle management command, control, communications, computers, and intelligence architecture that support high tempo, integrated joint and combined warfare. Associated systems broaden satellite communications, enhance tracking of unmanned aerial vehicles and

missiles, support acquisition and dissemination of accurate flight data on enemy missile launches, and allow rapid down linking of intelligence to front line forces. These advances permit the services to optimize their capabilities in the milieu in which they fight - air, ground, and sea.

To overcome long-standing impediments to countering fratricide during air, ground, and sea operations, we must continue efforts to make technological and procedural fixes to ensure friendly force identification in combat.

Finally, readiness to fight means acquiring the modern sinews of war: trucks, water purification equipment, inland petroleum distribution systems, Navy forward logistic sites, cutting edge medical technology, new maintenance upgrades, advanced storage techniques, and other innovations that sustain military operations spanning the conflict continuum.

Through USCENTCOM's Five Pillar strategy and the activities enshrined, Central Command is establishing peacetime relationships and infrastructure needed in crisis and war. The functions embedded in these pillars promote regional stability, assure access, and deter aggression. We also establish the military conditions required to limit the intensity of conflict should deterrence fail and, if required, fight and win decisively.

ACHIEVING DECISIVE VICTORY

Activities undertaken in the context of the Command's Five Pillar strategy position USCENTCOM to transition smoothly and seamlessly from peace to war. It does this in an environment characterized by a diversity of threats. As has been described, we know the nature of these threats and understand their capabilities, but cannot always predict intentions. USCENTCOM's theater strategy reflects these precepts and offers an azimuth for achieving success. With this in mind, several points should be emphasized:

First, we know that the threats looming in the shadows span the continuum: from criminal organizations, terrorists, and insurgents on the low end, to well armed, mechanized formations, backed-up by ballistic missiles and weapons of mass destruction on the high end. And America's armed forces must be ready to contend with them all.

Second, we need to understand that reassuring friends and allies, deterring conflict, and fighting are part of a continuum. We deter by convincing would-be aggressors that the risks of going to war are unacceptably high. Conveying this message has taken on even more importance as likely adversaries pursue and acquire weapons of mass destruction. We achieve this deterrence by organizing, equipping, and exercising premier joint and

combined forces; having the national will to use them; and communicating that resolve to adversaries. In this context, each of the Services must be of sufficient size to simultaneously deter and fight, carry out peacetime operational commitments, maintain readiness, and sustain first rate military educational institutions and training programs. These are the ingredients of credible deterrence. Credible deterrence, in turn, creates conditions for peacetime engagement, which promotes regional stability.

Third, we must focus on winning mid- to high-intensity war. We acknowledge the diverse threats endemic to the Central Region call for specially tailored packages of military capabilities. We recognize we must fashion rules of engagement consistent with the situation. We understand weapons and techniques appropriate for mid-intensity war may not be relevant in operations other than war. Still, organizations, leaders, and service personnel that can successfully prosecute the demands of fighting in mid- and high-intensity war will possess the discipline, flexibility, and skills required to handle other missions at the lower end of the conflict continuum after undergoing a brief period of focused training.

Fourth, we must capitalize on U.S. advantages in technology, weapons, leadership, and quality people to reduce risks to U.S. and coalition forces. Our military forces must take advantage of

the complementary capabilities found within each of the Services to cover vast distances; strike at enemy weaknesses; launch unrelenting precision deep strikes against the enemy's military, industrial, and information infrastructure; conduct continuous, all-weather joint and combined operations; and simultaneously assault tactical, operational, and strategic objectives. The speed, precision and flexibility associated with such operations require that commanders exploit the advantages of the entire battle space, maximizing the benefits derived from each service.

Fifth, we ensure that USCENTCOM's operational plans, policies, and procedures build on the Command's peacetime activities to address the exigencies associated with single and dual major regional contingencies and military operations at the lower end of the conflict continuum. With peacetime partnerships providing a foundation, we have the means to forge coalitions and integrate the military capabilities of all parties to confront regional aggressors. As tensions heighten, we rely on the three-tiered defensive arrangement established in peacetime to elicit regional support for coalition operations and create the military structures needed to defeat the enemy.

Sixth, we pursue operational concepts that envision rapid buildup of U.S. and coalition combat power during crisis and the conduct of high tempo, joint and combined operations to achieve decisive victory. Given early warning and early deployment

decisions, USCENTCOM will stand ready to initiate a series of flexible deterrent options in cooperation with regional partners to send a clear signal of resolve to aggressors. If these measures prove inadequate, USCENTCOM, with coalition support, will continue to deploy air, sea, and ground forces to defend against attackers. If such actions fail to blunt enemy action, the Command will deploy additional forces and launch a joint and combined offensive to overwhelm the enemy rapidly to restore regional stability.

Seventh, we must understand that the best tactics will not compensate for a flawed operational strategy. Similarly, technological advances, new weapons, and more precise munitions will not guarantee tactical or strategic success. Armed with a cleverly crafted operational strategy, with clearly defined end states, we can employ good tactics to deliver victory. In such a setting, modern technology provides superb tools to assure victory most effectively.

Eighth, we can expect that, over time, likely foes will develop countermeasures to our weapons. We can't re-fight the last war. We must learn from our mistakes. We can expect the enemy to learn from his and go to school on us. We cannot put all of our technological capabilities in one basket. The historic roles and missions of our armed services afford splendid complementary capabilities that should not be discarded. At the

same time, we should also build on our successes and change accordingly.

Ninth, we must recognize that U.S. forces cannot escape the fog and friction of war. Access to regional states might be thwarted by operational situation or political considerations. Cloud cover may obscure targets. Carriers might be out of position. Missile defenses may not be leak proof. Logistic shortfalls might slow down operations. We must pursue an operational strategy during crisis that most effectively uses available resources and offers maximum flexibility to assure success.

Tenth, we must consider the implications of our nation's reliance on power projection to deliver a strategic punch to defend our interests. We must stay on track purchasing the air and sea lift and associated equipment. We must see through the prepositioning of equipment afloat and ashore. We must do all of these things in order to be able to move our forces to the region in a timely fashion.

Eleventh and lastly, we must recognize that in the end, our triumph in a future conflict will hinge, as it always has, on the proficiency and professionalism of our tactical organizations; the skill, courage, and sacrifice of our fighting men and women; and leaders who are professionally and technically competent,

possess an impeccable code of ethics, and practice "out-front" leadership, always. Our service men and women are our nation's security against an uncertain and perilous future. Maintaining the quality and morale of these service men and women requires a supportive public and sustainment of a healthy package of pay and compensation, medical care, retirement, and family support -- all of which ensures a satisfying standard of living.

These thoughts are embedded in USCENTCOM's vision, are captured in the activities undertaken in our Five Pillar strategy, and serve as the basis for the Command's input to the individual services and joint staff.

KEY ENABLING REQUIREMENTS

Pivotal to USCENTCOM's ability to respond to regional threats and carry out its theater strategy is Congress's support for the President's Budget. The most critical elements of this include: (1) prepositioning, (2) theater missile defense, (3) strategic lift, (4) improved stand-off strike capabilities, (5) improvements in command, control, communications, computers, and intelligence, (C⁴I) infrastructure, (6) enhancements to airborne reconnaissance, (7) WMD protective measures, and (8) International Military Education and Training & Foreign Military Financing.

Prepositioning

Prepositioning of equipment ashore and afloat in the region remains a top priority for Central Command. As demonstrated in Operation VIGILANT WARRIOR in October 1994 and during Operation VIGILANT SENTINEL in September 1995, prepositioning accommodates rapid deployment of forces to the region during crisis response and their subsequent sustainment. Prepositioning ashore is particularly important. This view is disputed by some who contend that the best way to shield American military hardware from regional dangers, particularly the evolving WMD threat, is to minimize prepositioning ashore by prepositioning more equipment afloat or by relying on more force projection from the continental United States. Such approaches, however, inadequately support our theater strategic aims. Prepositioning ashore does far more than place critical weapons, equipment, and supplies in the region. It "cements" the coalition and links regional partners together to meet mutual security requirements. This, in turn, advances regional access, encourages peacetime engagement, and offers continuous deterrence. Finally, during the transition to war, the ashore brigade set supports more rapid closure of the force.

Having completed the fielding of a brigade set of equipment in Kuwait, we are pressing forward to establish a second brigade set with a division base in Qatar. This second set of equipment

will dramatically increase our military capability in the region, adding flexibility and the requisite firepower and command and control during the first days of a military operation. Qatar has provided the land and services required to beddown the second brigade set and is supportive of the strategic basis for the program. With the first phase of our military construction (MILCON) requirements funded, we need your support to complete the remainder of the storage site. We also need support in our efforts to preposition a third brigade set of equipment ashore in the region. With this third set, the U.S. will enjoy the benefits of having a full division worth of equipment prepositioned ashore early in the next century -- a clear signal of American resolve to confront future threats.

Theater Missile Defense

The proliferation of ballistic missiles and technology related to the development of nuclear, biological, and chemical weapons prescribes the need for an advanced theater missile defense architecture. Emphasis must be placed on establishing a "multilayered" missile defense over the next ten years that handles lower and upper tier requirements on land and sea. In addition, we need to quickly field a highly mobile missile defense to be positioned well forward to protect dispersed, rapidly moving Army and Marine ground forces. This last system

must also be able to defend against cruise and short range tactical ballistic missiles.

Success in these efforts hinges on enhancements to theater missile defense (TMD) fused awareness. This assures effective flow of information among intelligence assets, decision making facilities, warning systems, and attack means.

Strategic Lift

Strategic lift is essential to the implementation of USCENTCOM's strategy. The Central Region's distance from the continental U.S. and America's relatively small forward presence results in dependence on a modern fleet of aircraft and ships that can quickly move forces and supplies in support of contingencies. This has been demonstrated repeatedly, most recently in Somalia and the Gulf.

Operation VIGILANT WARRIOR saw the first operational use of both the C-17 and the Army Prepositioning Afloat, and both programs met our expectations. We need your continued support for the C-17, Large Medium-Speed Roll-On/Roll-Off ships (RO/RO), and RO/RO upgrade to the Army prepositioned equipment afloat. In addition, we must continue to fund enhancements to the Ready Reserve Fleet, Maritime Prepositioning Force, and Fast Sealift Ship maintenance program. Other requirements include support for

total asset visibility, logistics over the shore, and strategic aeromedical evacuation. Together, these systems will ensure that the U.S. can meet demanding deployment schedules during crisis response.

Improved Air, Ground, and Sea Strike Capabilities

Conducting the high tempo joint and combined operations envisioned for the Central Region and defeating ballistic missiles and weapons of mass destruction requires improvements in air, ground, and sea strike capabilities. Improvements to current aerial resources, procurement of multi-role/advanced systems, and acquisition of associated precision guided munitions are integral to this effort. In addition to assuring air superiority, such capabilities will allow the command to attack an array of critical targets, including hardened command and control headquarters and storage sites. On the ground, modernization of field artillery, fielding of equipment supporting digitization of systems, and procurement of a new family of long-range, smart munitions offer tactical commanders the ability to strike high priority targets quickly and accurately. At sea, we need to enhance fire support and obtain the next generation of long range cruise missiles. Your support for these improvements and others proposed by the Services will allow USCENTCOM to leverage American technological advantages in long-range, precision munitions to mitigate the friction and fog

of war to counter a broad range of threats. It also enhances the Command's ability to defeat future enemy ballistic missiles and WMD capabilities through a multifaceted approach combining passive and active defensive measures with a robust attack capability.

Improvements in Command, Control, Communications, Computers, and Intelligence (C⁴I) Infrastructure

The limited communications infrastructure in the USCENTCOM area of responsibility and the Command's positioning in the continental U.S. create significant command, control, communications, computers, and intelligence (C⁴I) challenges. We need a C⁴I architecture that allows us to effectively and securely gather, process, distribute and display on demand, in real and near-real time, information of all types and all classifications to users at all decision making levels, whether we are providing command and control for a Joint Task Force from the continental U.S., while enroute to the region, or fully deployed for a Major Regional Contingency. The timely delivery of high quality, pertinent intelligence to the commander in the field is central to military success.

Satellite communications are particularly important to these efforts, offering vital strategic and tactical capabilities that extend between the continental U.S. and the theater. It is

through the nation's robust satellite infrastructure that we are able to achieve marked improvements in communications, intelligence, warning, positioning, and meteorology; all of which are essential to leveraging U.S. advantages in weaponry.

It is important to note, however, that the level of network connectivity needed to implement this C⁴I infrastructure introduces new vulnerabilities. Threats ranging from foreign intelligence services to terrorists and criminal elements are capable of disrupting our systems. We are in the midst of a new era of information warfare that requires an enhanced systems security posture. In the past, we secured classified traffic using dedicated circuits and specially designated computers. Today, resource constraints demand that we optimize the capabilities of distributed network systems. We must improve on our ability to manage data of all security levels over common public-switched networks. In this context, the DoD Multi-Level Information System Security Initiative (MISSI), which is linked to enhancements in commercial technology, shows great promise in evolving our security solutions.

Finally, it is essential that the USCENTCOM Joint Intelligence Center planned growth through FY97 be fully supported for us to meet the full range of intelligence requirements for warfighting and the overall DoD Intelligence Production Program.

Enhancements to Airborne Reconnaissance

USCENTCOM's ability to continuously monitor and assess threat activities is an essential element of early warning of impending conflict. While space-based systems are crucial to this effort, not all needs can be met with satellite systems. Consequently, they must be augmented by airborne reconnaissance systems that are responsive to the needs of the theater commander. Such assets offer a near real-time snapshot of events. When combined with sound analysis and effective dissemination, this intelligence picture facilitates speedy judgements concerning ambiguous and unambiguous indicators of hostilities and identification of events having mid- and long-term strategic significance.

WMD Protective Measures

Given the mid- and long-term nuclear, biological, and chemical dangers, we must take action now to limit the vulnerability of our forces. This includes funding for and stockpiling of upgraded protective clothing, antidotes and vaccines, medical supplies, and monitoring and detection equipment.

International Military Education and Foreign Military Financing

The U.S. has benefited enormously from investments made over the years in the International Military Education and Training (IMET) program and Foreign Military Financing (FMF). These programs have provided the U.S. government opportunities to assist friendly states in meeting legitimate self-defense needs, gain access, deter conflict, and promote stability and democratic ideals. By promoting respect for human rights, civilian control of the military, and democratic ideals, while enhancing self-defense capabilities, we reduce instability that produces regional conflicts and the associated need to commit forces to protect U.S. national interests in the future.

CONCLUSION

The United States is at an historic crossroads where it has the chance to reshape the shifting strategic landscape in the Central Region and end the bloody cycle of war and misery. Americans must remain resolute in confronting opponents of stability and spoilers of peace.

We at Central Command stand ready to meet these challenges. Since the end of the 1991 Gulf War, we have experienced remarkable success in securing the nation's vital interests in the Central Region, while progressing toward realization of long-

term regional aims. We pay tribute to the magnificent work of our service men and women. Time and again, they have overcome adversity to achieve first-rate results, conducting combat operations, enforcing UN resolutions, delivering humanitarian relief, participating in combined exercises, establishing close relations with regional friends, negotiating basing and host nation support agreements, and devising processes and organizations needed to implement the theater strategy in peace and war.

Our mission and vision are clear. Success requires that USCENTCOM be a flexible and versatile organization. We are confident that Central Command's Five Pillar strategy and associated activities provide a sound path for preserving U.S. interests in this important and volatile part of the world. We look forward to working with each of the military services, Department of Defense, and members of Congress in the coming months to realize our nation's goals in the Central Region.



The CHAIRMAN. Thank you both and again we appreciate your being here and your comments. You are where the action is and that means a lot to us. Let me start off by just saying that we have heard from the Secretaries, the Secretary himself and the service Secretaries. We have heard from the service Chiefs, we have heard from JROC yesterday, and all of this trying to come to some kind of a conclusion as to what kind of a budget we will have this year for our defenses.

In that connection, the Chairman of the Joint Chiefs recently came out with his program assessment wherein I suppose, based on the information he had gathered and we verified yesterday and the other times, too, from the service Chiefs and JROC and all the people involved, that we should increase the level of our procurement to \$60 billion annually by the year 1998 to risk, as he said, quote, avert risk future combat readiness, unquote.

In spite of these recommendations, of course, the budget presented to us by the administration postpones at least until the year 2001, and we have been hearing lately about the possibility of force structure cuts to help arrive at this figure in the future. The difference, I guess you might say in the procurement numbers in that \$60 billion and the administration's, the difference would be about \$15 billion. If the force structure were used as a bill payer, I guess, to close this difference, end strength would have to be reduced by several 100,000 people.

I want to ask you a hypothetical baseline question on the estimated force structure cut of one armored division, one carrier battle group, and two tactical fighter wings in order to make up the procurement shortfalls. If that were done, what would be the impact of such a cut on your ability to carry out your assigned national security mission? No. 1, and if you had to abide by such a cut, what political or military requirements or commitments would you have to recommend that we abandon? If you can help me with that I would appreciate it.

General JOULWAN. Go ahead.

General PEAY. I strongly believe that our military is too small. I think many times, and I will come to the specifics of your question, sir, but I think many times we have a tendency to look at a number of divisions, a number of air wings, carriers, and I don't look at it that way. Perhaps I have my old service vice hat on or something, but I think it is a case of understanding the richness of the organization, the robustness of the organization that undergirds all of that. And in my mind it starts with our training institutions and our sustainment institutions.

So if you are going to have a force that our country put in the desert 5 years ago that this committee certainly knows started 15 and 20 years ago when all of us were young captains and majors, it starts in that training, that rich training institution. So if you keep a certain number of divisions it is then going to be cut in the training institution, and I am out of my lane, but my sense is as I go around and talk to a lot of youngsters today, that instead of perhaps simple things as having two instructors on a platform, today you may only have one, and instead of that being a major you may have a captain.

And so you start to peel away at the base that develops people and it is also the mobilization base of your school system that quickly, even though many things have changed, gives you the insurance policy if you get yourself in a major China kind of a problem or something like that down the road where our entire country has to be mobilized, understanding that today is more of a short war approach than a longer kind of approach to the fight.

So if you are going to grow youngsters that can sit at the table like this today, you have to expose them to a series of experiences, lots of time in troop units, lots of time on high level staffs, joint staffs, and lots of time teaching in our educational institutions. And when you get this small, you don't have an organization like that.

So if an IBM or an AT&T is a rich dominant organization today, it is because it has some size to it, it is highly educated, it is technological, and it is reaching to the future. Somewhere along the line something has to give. So I like to look at that piece of it and then I come and tell you that you are too small on the divisional side and 10 divisions is the minimum that we need to do.

Now, because of classification, let me talk around some things and I will be very happy to provide it for the record. We have all testified last year and the year before when we were here to the two MRC need. The enhancers. And so the answer to your question is it slides to the right. So somewhere along the line when you slide things to the right you get at risk. It is risk. And the open point is when it hits you earlier, then comes the risk in casualties because you don't close with the right type of force, with the right application, and so the prosecution of your battle just takes longer to do.

We are going to win it. There is no one here that is going to beat us in the central region. At the end of the day we will win it, and win it convincingly. It is how long you want to do it and what are the casualties associated with that as you close your force and prosecute the war. I think 10 divisions is the minimum we need, and if it is a 2 MRC, we start to mix various formations of those 10 divisions to properly execute it. And I think I had probably better leave it at that.

When the carrier is out in the gulf today—Vigilant Warrior, in October 1994—that is when Saddam came at us. The same thing happened in August 1995 with Vigilant Sentinel. He reads the signals. He understands when we are not present. And forward presence gives you that kind of deterrence in those five pillars I tried to lay out for you.

And, finally, I would just conclude and tell you that the threat continues to change. When I testified before you last year, I laid out one piece of the threat. I certainly think this audience knows how that threat has changed over the past 12 months.

So I think if we are going to be the dominant leader in the world for our youngsters in the future, we have to have rich organizations that are made up of fighting forces, schooled forces and sustainment forces that can be provided to CINC's so that they can prosecute the fight.

General JOULWAN. Let me just add, if I can, Mr. Chairman, some comments to what General Peay has already commented on on your question.

I think we need a balance in the force. You talked about procurement. We have talked about leader development. We also have to understand force structure, and as a forward deployed CINC I worry about that every day. We have, as I said, the highest OPTEMPO that I can remember in 35 years of going back and forth to Europe. We started 10 years ago with 350,000. We are down to 100,000. The OPTEMPO has continued. The requirements have continued.

I think we must find a way to continue to have a technological edge in what we need to do with first class weapon systems for our troops as well as good, solid education and training, as well as an adequate force structure. And if not, when we talk not just about two MRC but also, say, six lesser regional contingencies, we start meeting ourselves coming and going.

I was one that was fighting for 12 divisions. If we go below 10, I think we will be putting ourselves at risk. So I think we need to have this balance, and we are trying to work with the JROC and others in order to develop that balance, but I would think, to use your one division, one carrier, and two wings would, at least as far as Europe is concerned, I think, put us at an unacceptable risk.

The CHAIRMAN. Thank you.

Just one followup question. I asked yesterday of the JROC folks and others, too, I have asked, it is going around the town that one of the best ways to cut back on force structure as a bill payer is to abandon the two-MRC strategy. I would like to have your thoughts on that.

Do you think it is a good strategy, a two MRC, or can we do it with a lesser type strategy?

General PEAY. Let me start off. If I can just echo his words, I firmly believe in two MRC's. The dynamic that has changed, I don't know if it is six, seven, eight, or nine LRC's.

I will take my region.

Sir, we start on the Far East with tensions between Pakistan and India. The Director of the CIA will tell you that he thinks that is the most explosive point along that line of control as we try to, in mil-to-mil relationships and other relationships, contain two forces that want to field increasing missiles and their own form of growth in the nuclear military field. An explosive front among two nations with great hatreds that have existed over time.

I might parenthetically add to that I think we somewhat impact on that because of our mil-to-mil relationships. I mentioned the chief of Pakistan in my earlier comments and the way that we relate to him. But you move from that and move to the West and you clearly have a much more aggressive Iran, that we can talk in greater detail about. You have Iraq, which is the near-term threat that could attack Kuwait tomorrow morning because of the enormous hatred that exist between that irrational leader and the Kuwaiti leadership. And then you move to the peace process that splits our particular areas of responsibility along the seam.

The impact that those gulf countries have, which I think has been very, very positive on the peace prospect today, that is so im-

portant to our country. And then on down the western side, problems of Egypt that is so important to us that is going through internal challenges. The gateway into the central region and the stability on the north-south road through the African countries down our left hand, or the eastern side of Africa that provide ports for access into the central region as well as providing for some stability into the tough problems that face the central part of Africa in terms of the way that we militarily handle those problems, and continue to contain terrorism that reaches from Iran to training in Sudan to export to Europe and the United States of America.

So I think I have just described a major MRC and maybe three or four LRC's on top of the strategy that we designed sometime ago. So I don't want to be a general that is up here beating the desk. I don't think that is my style. But I do think that the tenor of our times over the last 12 to 14 to 15 months may be a little bit more serious than what it was when we developed that two-MRC strategy several years ago.

General JOULWAN. We are, Mr. Chairman, I think, involved in how do you structure a force for a high-end contingency and then what is the day-to-day world that you live in. And I think you must accommodate a spectrum of conflict, as I said in my opening remarks. We have to figure out how to engage now in order to say deter or prevent an MRC. We have to say we will not fight, I don't think, an MRC alone. How do we develop relationships with allies for access to bases for forces to fight with us? All of that is what we have to do in peacetime. That is what I call peacetime engagement. We cannot run away from that. And that takes some forces and it takes tailoring of forces.

We have a different requirement when we talk about Central and Eastern Europe than we do, say, with Africa. And we have to be able to tailor forces to do that, but influence I think is going to be very important, and if we are trying to prevent conflict or prevent crisis from erupting into conflict we have to stay engaged.

So the lesser regional contingencies, the engagement strategy we have in peacetime, very important. We need a flexible force, we need a force we can tailor, and that is what forward deployed CINC's do. That is what CINC's do. We need the flexibility to task organize to mission, whatever mission we are given.

The CHAIRMAN. Mr. Dellums.

Mr. DELLUMS. Thank you very much, Mr. Chairman.

These last exchanges certainly stimulate my desire to raise a number of questions. Let me resist that temptation at this particular moment since I have had an opportunity to make a few opening remarks and pose some general questions and allow some of my junior members to engage the witnesses and I will come back a little later in the process. That includes Sonny Montgomery as a junior member.

Mr. MONTGOMERY. Thank you.

The CHAIRMAN. Total force Montgomery we call him.

Mr. Hunter.

Mr. HUNTER. Thank you, Mr. Chairman.

Gentlemen, could you tell us a little bit about how you view in the overall mix of things, and I think you painted an excellent picture with respect to your respective areas of concern, could you de-

scribe to us a little bit where you put the emerging missile threat, including both slow ballistic missiles and some of the more capable, faster ballistic missiles that are being developed and what your thoughts are about how we should react to protect our troops in theater and our interests?

General JOULWAN. Let me, if I can, start on that. We think it is a very viable threat and I think we need to address it. Theater missile defense for the European Command has a very high priority. It also has a very high priority, Congressman, for NATO, and I think we have a way to work with NATO in trying to look at the long-range development of theater missile defense. It is part of the counterproliferation initiative that NATO is undertaking.

EUCOM is in a very important advanced concept technology development with the Department of Defense, and my goal is to try to look at how do you go after the shooter, not just wait for the missile to be in the air? How do you go after the shooter? And we are conducting, in fact, at Fort Bliss this month some tests on that.

We have developed at Ramstead, in my air component, an air operations center that is now deployable that combines offense and defense inside of it, that has Army, Air Force, Navy, and Marines embedded in it, and one of the requirements I have given them is how to go after the shooter. Let us not wait until the missile is in the air.

So that requires a lot of intelligence fusion and testing of systems, but we are making progress. We have something called the MEADS, the medium extended air defense system. Our allies are picking up 50 percent of the cost of that development. So we think it is very important. Protection of the force is very important in the future from rogue elements that have this capability that I think can threaten us.

Intelligence and early intelligence is extremely important and we are working that right now. So we are fully in support of theater missile defense.

Mr. HUNTER. Just one followup on that before we go to General Peay. Do you have the ability now to shoot down Scud-C's fairly effectively; to defend your troops in theater against Scud-C's?

General JOULWAN. Primarily, it is, to be candid, that is at the worst end. You don't want to shoot it at the terminal end, you want to shoot it at the midcourse, or what I like to do is go after it before it launches.

Mr. HUNTER. I agree with all those like-tos. My question is if they fired some today, could you stop them.

General JOULWAN. Only right now in the terminal phase.

Mr. HUNTER. Can you stop them fairly effectively in the terminal phase?

General JOULWAN. I think so, fairly effectively. We also have some systems we are working to go after the shooter. I would like to privately tell you about some of those.

Mr. HUNTER. Be happy to listen to them.

The faster missiles that are being developed, we know Korea is selling ballistic missiles as fast as it produces them to any client that wants to buy and pay hard money for them. They are developing in the Taepo Dong 2 missile a faster ballistic missile.

Now, General O'Neill told us that none of the theater systems we are building now can shoot down that fast missile as it is projected to be—its IOC is just a couple of years away according to our intelligence estimates. Have you made any analysis as to what you are going to do to handle that missile if it is fired at troops in theater?

General JOULWAN. I will have to get back to you with all the details on it, but some of the work we are doing is in line with trying to get fast missiles. But again, I think we also should put some work on how do we try to get it before it launches, which I think is going to be very important.

Mr. HUNTER. And I would love to talk to you about that. General Peay.

General PEAY. I think, sir, as you look at our theater, you have the proliferation problem specifically in Iran today that is procuring missiles from China and North Korea and the former Soviet Union and maybe some others. Simultaneously with that, they are procuring, whether it be small Chinese patrol boats or whether the entire business of nuclear peacetime energy supposedly as it modernizes its economy, the advent of its scientists from the former Soviet Union to work in these facilities that are right next door to military industrial complexes. So you have education and industrial pieces merging together very quickly that saves time. So you have this dynamic of a lot of this coming together that I think starts to close the time period that we are dealing with here.

I suspect one way you try to get at this thing is diplomatically, to put some kind of a proliferation treaty in place, but our history has not necessarily been that good. And, again, I am not confident with the kinds of rogue leaders and other nation states that in our region that we are dealing with that we don't have those kind of communication doors to be able to do that. Although I do think we should press in that regard with some vigor.

I have always tried to look at the defense piece of this in addition to the offensive piece, which I certainly agree with General Joulwan on, that has some high technology for the future. But at the end of the day there has to be, it seems to me, an insurance policy that lays over our troops, and I am talking the TMD piece and I don't know that much about the NMD piece, I have not studied that recently, but I suspect the philosophy is the same. I think it is four layered.

You want something that is upper tier. You cannot put it just in one service, to which we just last week had the Nimitz sail out of the gulf and go over towards the Taiwan Gulf. If we had been in a conflict like that, if you had that upper tier just on that particular platform, what have you got then for the forces on the ground?

So I believe, and I have felt this all through this whole roles and missions fight, that we have to have complimentary capabilities of organizations for flexibility. So upper tier on ground and upper tier at sea. Lower tier at sea to protect our ships that are going to be increasingly under these fast-moving cruise kind of capabilities.

I think Admiral Redd was back in town last week and talked about the 802 missile and what we are seeing right now on the gulf waters. But, at the same time, we need in addition to bringing on the PAC-3 quickly, because that gives us what appears to be a near-term approach at this problem that we can bring on the other

more sophisticated systems, we need a lower tier capability for fast-moving Army and Marine Forces that are at enormous distances.

I find it hard to understand in the fog of war, even with the best technology, how we are going to link up the missile protection at 800-850 miles inward. Remember during the gulf war when we had a shimal come through there in 2 of the 4 days of that fight? How do youngsters get a short-range air defense capability of a threat that may be no more than 30 clicks in front of it in those kind of fog and friction parts of the war?

And then, finally, you need a C-squared system that fits over top of all that that helps you get at attacking the thing early but allows you to bring quickly the best of those three or four systems together as you attack the threat.

Now, the challenge to all this is expensive, and I certainly understand that. I do believe as we look to the future, though, with the threats that are in our region, I think missile defense is the big part of it, and I show on my integrated priority list that I submitted to the Chairman as TMD as my No. 2 requirement. I put No. 1, prepositioned equipment, which is important to force closure because that is deterrence, but No. 2, I had air defense on my IPL.

The CHAIRMAN. Thank you. Mr. Montgomery.

Mr. MONTGOMERY. Thank you, Mr. Chairman.

I appreciate Mr. Dellums referring to me as a junior member. I have only been here 30 years, but it is fine with me. I want to congratulate Mr. Dellums for winning his primary election of the Ninth District of California. He won by 85.1 percent of votes. He will be back next year. Congratulations.

I have just two questions and brief answers, if I can. My time is limited to less than 5 minutes. The JSTARS has done a tremendous job in support of Operation Joint Endeavor. I understand that you are bringing the JSTARS back to the United States at the end of the month.

My question, General Joulwan, is how urgent is the requirement for a NATO ground surveillance system, and, most importantly, when will NATO have its own air-to-ground surveillance system like the AWAC's for airborne early warning?

General JOULWAN. JSTARS is returning the end of this month. It has done a superb job in Bosnia. We have tried to get NATO officials on board so they could see it.

That issue for a ground surveillance system is being debated right now. I think there is favorable disposition toward it, and I would hope that in the near future we will get NATO to buy into a JSTARS sort of system.

There are other competitors for it, not just the U.S. system. There is a British system and a French system as well, but I really think that NATO needs a ground surveillance system. They have identified the requirement and now they need to make a decision and I would expect that decision this year.

Mr. MONTGOMERY. In other words, they will have to figure out some way to get a replacement for JSTARS and you are bringing ours home.

General JOULWAN. The Bosnian commitment was only for a certain period of time, sir. And that was allocated to me through the end of March. That was a U.S. decision, not a NATO decision.

The NATO decision to procure a ground surveillance system is under debate right now. The requirement has been established by the military. The political authorities need to make that decision, which I hope will be made this year.

Mr. MONTGOMERY. OK. My next question to both our CINCPAC commanders, you have done a really good job in both mentioning today your using of the Reserves. Mainly, you are using the combat support and combat service support. Over 50 percent of the infantry are combat units in total force and Army National Guard.

My comment and question is, I wish you would use these—you are using the Air Guard and Air Reserve in combat, but you certainly need to move some of these combat units over. Let's try it. Let's see if you can get them there, if they will work, if they can do the job. We have spent a lot of money on combat and they have more infantry battalions than you have in the active but you are not moving them anywhere.

General JOULWAN. I agree, sir, and I must tell you that I had all the adjutant generals at EUCOM a few weeks ago. We discussed this very problem. And I assure you we are looking for ways to employ the combat force of the Guard, and one area that we can do that, for example, is in Macedonia, and we are looking at that option.

Mr. MONTGOMERY. Well, thank you. You can move a brigade in before you move the first armored out, where you have them. You are going to have to use them in a big war and so why not test them first, General Peay?

General PEAY. We will use them in our war plan. We are going to use them.

In peacetime I have—I am the smallest forward deployed CINC, I guess in terms of forces. I have 20,000 on a good day; 10,000, maybe 9,500 is what my average strength is over there day-to-day. It is not really combat kinds of things. I don't use them in that regard. We can certainly look at properly using some of those during peacetime if they can afford to go over there on rotations for extended periods of time. Airlift is expensive to do that. But let me assure you that in our war plan, they are used, combat Guard is used.

Mr. MONTGOMERY. But you just said yourself earlier that you need education; you need not reduce forces, you need to train them as much as possible. And that is my comment. And the Red Sea—I guess the Sinai Desert which is under your command—

General PEAY. No, that piece is not in my command.

Mr. MONTGOMERY. But you have some reservists.

General PEAY. Yes, sir, the Army moved as part of the Sinai force—used the Guard and Reserve I believe effectively in that particular mission.

Mr. MONTGOMERY. Whose command is that? I have your map here.

General PEAY. That force reports directly back to the Chairman of Joint Chiefs of Staff. It is a U.N. kind of a force. It does not report through Central Command.

Mr. MONTGOMERY. Thank you very much.

The CHAIRMAN. Mr. Bateman.

Mr. BATEMAN. Thank you, Mr. Chairman, and I certainly thank our two CINC's who are with us today. Your testimony is I think extremely helpful to the committee in making some more difficult judgments that we will have to make to try to see to it that the fiscal year 1997 budget is something that is much more adequate to our country's defense requirements.

You don't really need to answer this in the context of a question, but as I observed yesterday when JROC was before us, there is something that is defective in that remarkable but valid process of venturing what our defense requirements are when you go through the process and then at the end of the day get a budget submission that is woefully below what the process would have dictated should have come out at the end of the pipe. That is above your and my pay grade, but we in the Congress hope to rectify some of that mistake.

General Joulwan, I would like to inquire about the current state of thinking and planning as to the redeployment or withdrawal of American forces from Bosnia. Do we have any likelihood of any substantial American ground forces remaining there after December 20 of this year?

General JOULWAN. Sir, my instructions are very clear from the North Atlantic Council. One year is the commitment. That includes U.S. forces. I have made it very clear that is mission completion at the end of 1 year. There may be a few weeks afterwards to get residual forces out, but that is the plan right now.

I am trying to get focused on what we can do in the next 9 months rather than what are we going to do a year from now. I think we have had extraordinarily good success in the first nearly 100 days now, today is D plus 99, and I think we need to focus on what we can do in the next 8 or 9 months, and we are doing that.

If we can get the former warring factions now, we have them moved back 4 kilometers. We now are at a separation of 10 kilometers, along a thousand kilometer confrontation line. If in the next 20 to 30 days we can get the forces to move back into designated containment areas, then we will have opened up the country for the civilian agencies to operate. And that is our goal.

If that can happen, that will have influence on what we are going to do for the next 9 months and probably will influence the international community on what we are going to do a year from now. But my instructions in my U.S. hat, the force is out in a year. It is also my instructions in my NATO hat.

Mr. BATEMAN. If I might follow up on that, I will make the statement at the outset that the performance of our forces has been remarkable in terms of accomplishing the very strictly and rather narrow military mission they were sent there to do. But when you look at the Dayton agreement and its assumption of a multiethnic Bosnia, what has happened in fact in terms of the attitude of the people and their dispositions toward one another, especially as you look at those suburbs of Sarajevo, I see little or no grounds for optimism that the Dayton accord multiethnic Bosnia is going to be a reality.

Suppose we have a scenario where it is clear that there will be a resumption of conflict after the end of a year without the presence of some residual forces?

I take it from your answer that not only is it presently anticipated that all of our forces will be withdrawn but all of the NATO and other forces will be withdrawn. It would seem to me common sense that while we would have honored every commitment that the United States should have ever made very fulsomely with what we have already done at the end of the year, that maybe our NATO allies and others, in whose backyard this conflict represents a very considerable threat to their peace, stability, and security, that they might well continue with some logistical support from us perhaps to maintain at least some military presence there to continue a stabilization for a longer period of time than it appears it is going to require.

General JOULWAN. I really think that debate, sir, is going to take place. How the force will be structured after a year I think will take place, and my instructions are from the Secretary General that we wait until after D plus 120. We want to break the spring offensive cycle. They have had a spring offensive every year for 4 years.

If I can refer, Mr. Chairman, to this last chart, the one I have given you, there are some who think that the military tasks have been somewhat easy and narrow. I can assure you they have been very difficult ones.

This shows what we have tried to do by D plus 30. We separated that inner gray line 4 kilometers. The next one shows the 10 kilometer line, and those blue dots show where we think the force has already started to move back, if we can break the spring offensive. If not, we are in a whole different operation. But if we can do that, then by D plus 270, which is August-September, free elections can be held. That will influence greatly what I think the international community will do in the future, how we need to structure the force. We have a peace enforcement here now; do we need some other sort of structure to allow the civilian agencies to go in? All that analysis has yet to be done.

I have urged not to do that prematurely because if you start talking about a follow-on force, much of the momentum and you have to have this momentum for peace, will dry up, in my opinion. So I am urging that you let me complete the military task, let us gear up the civilian side, and let's see if we can create freedom of movement throughout this whole country that has been at war for 4 years.

I am not sure it will in the long run work, but I think we need to give it a try. It might be interesting that in the Sarajevo suburbs, 11,000 Serbs remained even at the pressure from the Serbs improperly telling them to leave. We are having them trickle back now. We are trying to get electricity and water and other things turned on through the civilian agencies while we provide this secure environment.

It is a very difficult, complex mission for the NATO military and the U.S. military. So far we have been, I think, very successful in providing that secure environment. If we can open up this country to let reconstruction begin, to allow refugees to return by providing

a secure environment with roads that are open and clear of mines, 80 percent now of the roads in Bosnia have been opened by the IFOR force. We hope to have 100 percent open by D plus 120, by about April 18. That is our goal. It is very complex.

That is the military mission. We are now trying to integrate that in with the civilian mission. Then we will do an assessment to say, where do we go from there, and that will determine, I think, by the international community what sort of force, if any, we will have after a year.

Mr. BATEMAN. Thank you.

The CHAIRMAN. Thank you, gentleman.

Mr. Skelton.

Mr. SKELTON. Thank you, Mr. Chairman.

It is a real thrill to welcome you two gentlemen, outstanding military leaders. We appreciate your advice and testimony.

General Peay, you spoke of our military being too small. You spoke of the necessity for education, leader development, and, as you know, last year this committee put a floor on the services and insofar as Army is concerned we put a floor of 495,000. There was testimony earlier this year from the civilian side that there is a possibility of the Army going down to 475,000 and a comparable drop in the Air Force. I would appreciate your thoughts on that proposal.

General PEAY. Well, sir, a little redundantly, but my recommendation to the Secretary and to the Chief of Staff of the Army would be not to take the Army or the Air Force down any further. I think it is a combination of things now that are difficult to measure. There are dynamics internally to the structure that you just need today when you just do the kinds of things we are doing today, and I think the future is going to be more demanding.

When you handle the missions today and you want to grow a force that is the demonstrated leader in our world today that can do the kinds of things you did during Desert Shield and Desert Storm, then you have to have a certain amount of size and a certain amount of richness to it. And that is the force again that is very educated, time for leaders to study. That is the force that has ample time to serve in troop units so that our soldiers today can, in their later years, can operate as diplomats as well as warriors. And it seems to me that that is the thing we bring to the plate that many other armed forces do not.

I can tell you in my 35 years of experience, and we have been up and down four times now since I have been in uniform, that I strongly believe today it should not get any smaller. And in fact, and I recognize that is not possible, but I would even like to see it larger. But I would recommend that this even out now and let us get that very clear to our youngsters and let us get this organization fixed from top to bottom so it is first rate.

Mr. SKELTON. Thank you.

General Joulwan, there was a recent article in the New York Times about several people, international as well as American, urging that the United States and NATO forces be kept in Bosnia past the 1-year limit.

I also note in addition to the push to do that, the expansion of the military assignments of American and NATO peacekeepers

being diverted from their original mission to the task of rebuilding Bosnia. I also note that many Iranians and Mujahedin are still in Muslim Bosnia. And also I understand that there is, according to the news reports that there is a real problem, a cornerstone of the Dayton agreement, the continuance of the Muslim-Croat Federation appears to be crumbling.

All of these three things, four things, could well cause us to be tempted to stay in Bosnia past Christmas. I would appreciate your thoughts on that, sir.

General JOULWAN. Yes, sir, I think I tried to address that many—the analysis that is being done on what the international community is going to do in 1 year, that that is going on. I have asked that to be on the military side to let's see where we are at D plus 120 and the North Atlantic Council will take that up after that time.

On the task that we have within the IFOR force, when we laid the phasing out, phase I was the preparatory phase and the putting in the logistics base in order to allow us to deploy it. Phase II was the deployment of the force. And we did that by D plus 60; 60,000 forces on the ground. Phase III is implementation. And there what we are doing is trying to really have freedom of movement and that means opening up the country; that checkpoints and barriers and observation posts and police checkpoints, all of that are taken out.

Between phase III and phase IV it is called the transition to peace, where we work with the high representative. Part of the mission is freedom of movement. Part of the mission is how to open these roads. So within our capabilities on a case-by-case basis we will be providing, where we can, clearing of the roads. It helps our movement of the IFOR as well as civilian agencies. That is part of the mission. That is not an add-on mission.

I have said we will not guard graves or dig up graves or chase after criminals. That we don't think is part of the mission. But in trying to facilitate how to take this military peace and how to bring the needed civilian side on, we can be very successful in what I just described and not be successful in Bosnia. If the civilian side does not kick in, I think we will not be successful.

So how do we do that? We have about 400 civil affairs from several countries; 320 are from the United States. They have been there since December 20. They are facilitating this work with the High Commissioner for Refugees, with the International Committee on Red Cross, and with 120 nongovernmental organizations. This reserve organization is doing that and they are doing an excellent job. They are going to the nongovernmental organizations for assets—engineers, medical, construction—not just to the military.

So we will balance all of that. So I don't see the dreaded mission creep in what we are doing. At least I am going to try to prevent that. But we need to find a way to work with these agencies. We have to have a visualization of the refugees coming back in so they don't run into the mine fields. We have to give them information and intelligence sometimes, and we are doing that. That, to me, is part of the mission, and that is how we have tried to structure this whole year we are going to be there.

Finally, on the Federation, you are absolutely right, it is key. It is clearly a political issue more than a military one. I think there has to be pressure from not only the international community but cooperation between the two ethnic groups, the Croats and the Muslims to make it work.

We are trying to do much of that, trying to facilitate that in what we call joint military commission meetings where all three former warring factions show up and we talk about the issues. There is also a joint civilian commission that does the same thing with civilian agencies.

But you are absolutely right, it is fragile. I think the jury is still out. We have to keep working at it. We are just 3 months into this. We have 9 months to go and I think the Federation is key to success.

Mr. SKELTON. Thank you.

The CHAIRMAN. Mr. Saxton.

Mr. SAXTON. Thank you, Mr. Chairman.

Gentlemen, I appreciate very much your being here with us this morning, and it goes without saying that I have tremendous respect for what you and all the folks that work for you do. I particularly appreciate the forthcoming remarks that you have made this morning relative to some things.

I would like to followup on what Chairman Spence and Mr. Hunter talked about, the big picture with regard to our defense posture, and I would like to do so with the help of a gentleman by the name of Harry Summers.

It says here—actually this was published in today's Washington Times. It says, Harry Summers is a retired U.S. Army colonel. He is a distinguished fellow at the Army War College and a nationally syndicated columnist.

I want to share part of what he wrote that was published this morning with you. He says, "Don't kid ourselves." He goes on to say, "In March 1923, then Maj. George C. Marshall, fresh from the battlefields of the Western Front, commented on the American proclivity to kid itself about the realities of military preparedness. Tracing the histories of the American Revolution, the War of 1812, the Mexican War, Civil War, the Philippine Insurrection, and World War I, Marshall noted that in a few months after a war's end the Government ran away from the tragedies of the war and the reasons therefore. Forgetting almost immediately the bitter lessons of unpreparedness, they demanded and secured the reduction of the Army. The astonishing fact back then was that we continued to follow the regular cycle of doing and undoing of measures for our national defense."

The cycle repeated itself in World War II and again in the Korean war, and now in the wake of the cold war it is upon us once more.

The most glaring example, he goes on to say, is the current win-win military strategy in which the President says we can fight and win two major regional contingencies nearly simultaneously. At best, he says, we have the win-hold capability, and even that, he says, is questionable if funding does not improve.

Proof positive the United States is spending too much on defenses, say the critics, is that America now shells out more on de-

fense than all of our NATO allies, Japan, Israel, and South Korea combined. But he says it proves exactly the opposite. We are spending what we are precisely because our allies are spending less.

And the situation elsewhere in NATO is no better. Only 7 years ago, he says, British military historian John Keegan reported that Europe was awash in combat units. Now they are so thin on the ground that the governments can scarcely meet their military commitments. And the situation is getting worse.

He concludes by saying our troops are under great strain. Since the end of the cold war, defenses have been cut by 35 percent, yet deployments have increased fivefold. He concludes by saying, we are kidding ourselves if we think this mismatch can be sustained.

If you would like to comment, I would appreciate it. Make me feel better.

General PEAY. Well, let me start. I think that is sort of what I have been trying to say today about flexible organizations, flexible professional officers and noncommissioned officers that can handle these kinds of challenges in the future under the rubric of some size.

Now, in the central region, the allies, our allies, our friends, even though we don't have formal agreements like in NATO, and that is a key piece of this business, many defense cooperation agreements, many friendships that we deal day-to-day on, everything is on a personal relationship.

Our allies are contributing, but they are not contributing in the standard ways that we measure in military forces: Enormous FMS sales; enormous commercial sales; spending money for oil for Korea as part of trying to handle the nuclear payoff problem that we had there less than a year ago. Moneys for Bosnia come out of the central region of some of the allies. Trying to provide us in some cases assistance in kind, money for military construction for our prepositioned gear, and that kind of a thing. They don't have the capability to provide equal forces, and so if we look at this thing, we tend to measure it that they are not contributing and so it falls back on us.

I don't think over the 20-, 25-year period with some exceptions that you are going to find in the Gulf region, really, really professional forces that we will be comfortable with as picking up a big part of the coalition. They will certainly contribute. They don't have sustainment bases, don't have educational systems, so they are buying a lot of procurement and it is our job to try to pull that together over a 20-, 25-year period. So it falls back on the United States of America in terms of providing the military force for that.

But I think it has to be balanced that they are trying to contribute in a different way as you work through this tough problem.

If I may say so, sir, I think one of the hidden secrets, as we look back over the next 25 to 30 years, as we look back at this period, historians are probably going to ask the question, how did the U.S. military, all services, take the enormous downsizing that it underwent and hold it together and, oh, by the way, over the past 4 to 5 years we have been a little busy in that period of time, too, as we have adjusted to a number of threats. I think that is a very, very positive story.

I think Harry Summers, who I know personally, is close to the point that we have to level this thing out now and try to stabilize it and fine-tune it and look to the future.

There is an R&D piece to this thing, but you are going to have to pay for that down the road. At some point these systems come on; 15, 20 years from now. You have to start those programs or bring those equipments on, too.

So respectfully, to this wonderful committee that has been so supportive of us over all these years, I think we are at a point now—there is no silver bullet in terms of how you have to come at this problem.

General JOULWAN. Harry Summers is a good friend of mine. We served together. I know him well. I think we—rather than kid ourselves, I think we have to be very realistic about the world as it is. Not as we sort of hope it is going to be, but how it is. Though we are going down in our force structure; 40,000 of the 60,000 troops in Bosnia are other than United States. I think we have to talk multinationalism for the future. How do we do that?

I have just been impressed, and I think I will tell all of you, the stature of the United States wherever I visit in any NATO or U.S. hat has never been higher. We have countries now in Eastern and Central Europe who look to the United States as examples in both, not only as a democratic system but how to build an army, for example.

I think we need to stay engaged in all of this. We need to leverage our allies. We need to have access to these countries. We need to have—we have their commitment in order to provide forces that are trained to some standard that we can operate with and procedures that we can operate with. That is what we find ourselves in today.

I would say to what Harry is talking about that we need to say, how do we provide for the common defense today? What is it that we need? And I see a world where working with allies, leveraging multinational forces is what we are going to have to be about. How do we do that?

And a peacetime engagement strategy may not sound something that is war fighting, but it is very important, I think, as we go about providing for the strategy of the future. And how do we not win and win and win and hold; how do we teeter; how do we prevent a crisis from happening in the first place? That is going to take a vision of what I think we do as a Nation where the most credible nation in the world today is the United States of America.

Mr. SAXTON. Without putting either of you on the spot, do you agree with Harry's analysis here that questions the win-win strategy, that we have a win-hold strategy at best and even that is iffy?

General JOULWAN. I think whenever we go in to something, sir, we go in to win.

Mr. SAXTON. I know we go in to win. My question is more about our capability.

General JOULWAN. I think our capabilities are such today that whatever we would enter today, the United States would win.

The CHAIRMAN. Mr. Sisisky.

Mr. SISISKY. Thank you. And thank you, gentlemen, for being here today. You know, you just said it. The world as it is. We for-

get. We think of the world in different perspectives. We think of Desert Storm and we think of this, that, and the other. But in the real reality, you are absolutely right, it is the world as it is.

As you know, General Joulwan, I travel a lot to Europe and meet with our counterparts, and I came to the conclusion earlier, along with the former chairman of this committee, believe it or not, who doesn't believe in a lot of war, but Bosnia could be very important, keeping the glue. I came to the conclusion that it is only the United States that would have to lead. I have talked to the Germans, the French, the Brits, everybody; it is only the United States that can lead.

And I came out early that it was the right move by this Nation, even though 82 percent of the public thought it was wrong. But it is the end result, the world as it is.

I would like to have your perspective if we are successful, and we don't know yet, you are right about civilians, what this could mean for world peace forever. I mean, not forever because there is never a forever, but, to me, that is the important part. This could be peace in our time by the alliance of our allies, of going into areas with the leadership of the United States. And I know that is hard to sell to the public, and before you answer it I want to ask some other questions.

General Peay, do you have any concern about the carrier leaving for 5½ months? When we did the Bottom-Up Review, and I remember very carefully they recited the thing, that we may be void in some places for a month or 2 months, I think it was that, but nobody ever said 5½ months or 6 months and leaving the Mediterranean bare.

I don't know, that may be your area, come to think of it. But I want to carry the Mediterranean because you have the Adriatic, the Red Sea. You will go anywhere without having to steam to get to a place in 6 or 7 days. But that is my question to you.

And I have to recite this again, because I have learned in the years I have been here that unless we do something about it, I mean let the Pentagon know and the administration know, that if we don't keep repeating this something will happen. As you know, the Pentagon is a place that leaks out information and rumors and everything else, but I have absolutely been advised, not advised but assured, that this is a true rumor of cutting the Army to 455,000 or 475,000.

And the only reason these Members are bringing this up, Republican as well as Democrats, is that we want to make sure that the uniformed military keeps repeating—I am not talking about loud in the papers—but that you keep the pressure on the administration that we cannot take these cuts, that you cannot take it, that your OPTEMPO is so great and only you can do that.

I would be very honest with you, I don't like to interfere in micromanaging the Pentagon, but I am prepared to put an amendment into our bill this year that they cannot cut any more forces without coming to this committee before they do it. I don't know if that will stop it or what, but I just wanted you to know that the members of this committee are concerned about it, and I will get back to you again on the world as it is and I will let you go ahead and respond.

General JOULWAN. Thank you very much, sir, and I appreciate those comments. I really think, having been back and forth now to Europe for about 18 of the last 35 years, we have a unique opportunity for what we see in Bosnia to create a new security relationship in Europe. When we are successful there and come out of Bosnia in the way that I think is possible, you have taken from the NATO allies all the way through the former Warsaw Pact and other nations to include Russia that have worked together to bring about peace where no one thought peace was going to be possible. That relationship, I think, can do something that has not been possible in centuries, if not thousands, of years in Europe; a Europe whole and free from the Atlantic to the Urals, and we have that opportunity. I will not kid myself either to think that is going to happen overnight, but the foundation can be laid for that debate to take place.

NATO is key to that. NATO is as solidarity. NATO has kept the peace in Europe for us since World War II. It can provide the framework for this to continue.

I was in Israel just a few weeks ago. They are very much interested in the Mediterranean base initiative, where NATO is reaching out to several of these nations, Israel, Egypt, Jordan, Morocco, and others, to try to get this area of influence, as I would call it, so that we can create a more stable world. All of that is possible.

To me, the United States is the leader in all of that. It is just not resources or funding, it is leadership. And it is not only military leadership but political and diplomatic and economic and the rest.

But we have a unique opportunity and I think that—I hope we can see that vision and try to pursue it. I am sort of optimistic as we approach this, and with the support of this committee and with the bipartisan support for foreign policy that can look to that vision of the future, we could enter the 21st century a heck of a lot better than we did the 20th century 100 years ago, and we are involved in a place right now that was the beginning of World War I. And we have an opportunity to prevent a crisis from developing into a wider conflict. It is high risk, but I think it is worth the effort. But the United States must lead and that is the world as it is.

The CHAIRMAN. Mr. Bartlett.

Mr. BARTLETT. Thank you very much. Appreciate both of your presence here and your testimony today. Each of you has said things that lead me to believe that you feel that the future is going to be more of what we have now with maybe some intensity.

You have made statements like the future will be more demanding than today; that the tempo is likely to be increased doing the kinds of things we are doing today. We are involved many places with peacekeeping, with peace enforcement, with forward presence for deterrence.

If this kind of activity is going to continue for the future, are you both comfortable that we could add in each of your command areas an MRC and support it adequately in addition to what is now going on in the world?

General JOULWAN. I would address it this way. I think the MRC's are illustrative planning scenarios that need to be addressed, but to have a certain pot of resources and you apply those

resources wherever the threat is, wherever you think it is necessary to apply it, and then you task organize accordingly.

I think if we have—there is an MRC in the CENTCOM area. We send forces to them as we did in the gulf. We sent from Europe, 90,000 of the force that took part in the gulf came from Europe. I think we would do the same thing again and vice versa. If there was a threat in Europe we would get forces from other parts of the world.

I really think what you are dealing with is how to structure the force in order to meet contingencies and how to manage risk. I think we can handle an MRC if it came to that. I don't anticipate one. I think right now, if we do it right, we can prevent an MRC from occurring. But I think we could handle one in Europe right now.

Mr. BARTLETT. You are talking about one, I think our planning indicated that maybe we could handle two of them.

General JOULWAN. I thought you meant in my area.

Mr. BARTLETT. One in each of your areas.

General JOULWAN. I think we could handle—I think what we can do now and to be very candid, the guidance is that lesser regional contingencies and other operations we would pull forces out of that and commit them to the major regional contingency. That is the guidance we are under and that is what the planning would be. We would take forces out of lesser regional contingencies to meet those major regional contingencies.

Mr. BARTLETT. So that we could not continue what we are now doing and also support two MRC's.

General JOULWAN. That's right.

General PEAY. I think we testified last year, and I will this year, that the two MRC strategy is hinged on these, and I think the word has been used, "enhancers"; that is your sealift, your airlift, your theater missile defense, your precision munitions, a certain amount of leadership development. So it seems to me, sir, the question is what is the time of all that?

I believe we have kind of set it at the turn of the century is when they put the two MRC strategy on the plate. We looked to try to have these enhancements in by the turn of the century. So the question is will it slip to this right? I don't have visibility of that in my current job, but just like we talked air defense earlier today, I have been pushing for air defense for 4 years and it is not here yet. So things keep slipping to the right.

So I think against the threats in our area, we are going to win in our AOR. We can probably, on the two MRC piece today, we can bring the forces together and win. The question is risk. Slipping to the right. Eventually, gosh forbid, risk involves casualties, when you do that kind of a thing.

I want to add on to that, if I may, sir, that just like George Joulwan talked about this peacetime engagement, and maybe that is one of our faults here, we are both saying the same thing but we have different names to them, in a way. In our region, with these threats I have described that I think are getting more sophisticated, the question is what are the national interests? I laid that out a little bit. It is much more than oil. Oil is a big part of it, not only to our economy but Europe's economy, Japan's economy and

the interrelationship with our country. But it is the whole business of the impact on the peace process. And our ability over these last 3 or 4 years to stay involved with our gulf friends has had an enormous input.

Look at the turn of the last 45 days, whether it is Jordan or the amazing things that have happened here, as these gulf countries and others have worked back to the West in terms of the peace process and the stability of all that. That happened through a policy of engagement. And now we look to the future with these clear threats that are coming on us. We have simply got to stay engaged, it seems to me, for a long period of time. Engagement takes ground forces largely.

We are trying to come up with many initiatives that work at the operational tempos so that it is the right mixture of the carrier, the air expeditionary force, ground exercises so that we can cover the spectrum, provide deterrent against a near-term threat of Iraq that is very, very dangerous today, and the clear growing threat of Iran that is coming on us. And the whole terrorism piece of that, it seems to me, a strong United States of America is the best deterrent against that particular problem.

Mr. BARTLETT. Thank you very much. I know my time is up. I gather both of you are a little uncomfortable with our present sizing and you would be very uncomfortable if it went lower. That is a fair statement.

General JOULWAN. Yes.

General PEAY. Yes, sir.

Mr. BARTLETT. Thank you.

The CHAIRMAN. Mr. Edwards.

Mr. EDWARDS. Thank you, Mr. Chairman. General Joulwan and General Peay, thank you both for being here and for your lifetime service and leadership to our country. I would just like to piggy-back on the statements made by Mr. Bartlett and Mr. Skeleton and Mr. Sisisky and joining them in my concern about lowering the force structure of the Army.

We can talk about all kinds of statistics, but the story I would like to remind my colleagues is one of a soldier I met at Fort Hood several months ago as he was deploying to Bosnia. He had missed the birth of his first child because he was in Desert Storm, was about to miss the birth of his second child because of his deployment to Bosnia. He did not complain, and as a good Army soldier he was willing to do his duty. But I think in a volunteer situation, we have all got to recognize that the best people are not going to put up with that year, after year, after year, and the lower the force structure the more soldiers are going to miss the birth and the growth and development of their children and ultimately that is going to undermine our military readiness.

General Joulwan, I would like to ask about foreign aid and also burdensharing. General Peay, if you want to add to this, please feel free to do so. On foreign aid, we are in a day and age where probably the most politically popular vote just about every Member of Congress can cast is to zero out foreign aid.

Can you discuss in terms of the European context, take Turkey, for example, or any other examples you want to use where our foreign aid works hand in glove with our military needs that relate

to defending America's national security interests. For example, if we were to cut off all foreign aid, how would that affect our military presence and leadership in the world?

Second question on burdensharing, again an extremely popular issue politically, I know you have touched on this, but if you have any additional comments to make, if someone were to say to you today we ought to go an extra mile in terms of requiring burdensharing on our European allies part, how would you respond to that? What are the downsides of a very politically popular concept called burdensharing?

General JOULWAN. Two very important issues, particularly as they apply to my theater. On the burdensharing issue, we have seen a great deal of burden shared by our European friends for many, many years. Germany has had for nearly 40 years 500,000 foreign forces on its soil. That is about the size of Oregon. And the TAC's and the planes and the helicopters and they accepted all of that. They have spent about \$8 billion in terms of aid to reunite Eastern Germany and also to get the Russians out of their country, and they are supplying a great deal of assistance to Eastern European countries. Other nations are doing similar, but at a less amount.

As I said on the burdensharing, 40 of the 60,000 forces in Bosnia are other than United States. When I looked at Sharp Guard, which is a commitment that we had on the embargo, 85 percent of the ships were other than United States. They were primarily European. The air operation, Deny Flight, 65 percent were other than United States. So on the burdensharing issue, I think we have seen our allies step up.

Could they do more? Yes. Am I concerned about where their force structure is going? As I am concerned about our own, yes. And in my NATO hat I have been making clear statements on force requirements and force goals for the alliance. I think we have to be very clear on that. But are they sharing the burden with us? Yes. And are they taking risk?

In Norway they have something like 1,800 to 2,000 troops deployed for peacekeeping. That is out of a population of about 4 million. That is a tremendous effort. A country like Belgium has a battalion in southeastern Slavonia, plus about a battalion in Bosnia. That is a tremendous commitment for them. And so they are doing more.

So we need to insist on what their force goals or requirements should be, but there is a great deal of burdensharing going on. They are now coming to grips with conscript versus volunteer forces as a result of this.

On foreign aid, I really think it is essential. It allows us influence and access in areas like Turkey I think that has paid great dividends for us as well as in Greece as well as in the Middle East where I think it buttresses the peace that we have.

A clear part of IMET, for example, that I talked about is another very important part of that that I think is to our benefit.

Mr. EDWARDS. Thank you. Thank you very much. Thank you, Mr. Chairman.

The CHAIRMAN. Thank the gentleman. Mr. Longley.

Mr. LONGLEY. Thank you, Mr. Chairman.

General Peay, General Joulwan, I just want to begin by again thanking General Joulwan for I had an opportunity to spend about 5 days with your staff, and I was tremendously impressed with their capability and the range of areas that they are monitoring, and I note some of them are here today so I would just compliment you again.

I want to pick up on the comment you made a minute ago relative to the balance that would need to be struck between a lesser regional contingency and a major regional contingency. As I understand the normal deployment schedule, when you are constituting a force, you have a build-up in terms of training and getting ready for deployment, and then you conduct the deployment. But once you have conducted a deployment, then before you can deploy again you have not only to go through a period of training, but also a period of maintenance and regrouping and reequipping and checking equipment and getting things back up to standards again.

I would like to ask, and not necessarily with respect to Bosnia, I would like to make the question a little more general. Assume that you have a force committed in a lesser regional contingency, what type of short or long time frames are you talking about to re-deploy that force?

General JOULWAN. We are looking at that very hard right now and with regard to Bosnia, but also every time we deploy a force. What we are finding, which is very interesting to me, is that what I would call the combat support and combat service support units, which are a very important part of the force, those forces, indeed, are better trained. They are train up, they are going to be better—the engineers that we have, the logistics points that we have, the helicopter pilots, the artillery even in Bosnia is doing day-to-day training and they are probably some of the best units trained in the world right now. So they are trained up to go fight an MRC or some other operation would be. In fact they are better trained now.

We have problems when we talk about armored units and Bradley units, for example, and the integration of fire, which is where the shortfall would be. We are using now a rotational policy where we are taking some armored units back to Hungary, for example, and firing them in tank gunnery. So that is a way of looking at the requirement. That would mean their train-up time would be less. When we come out of Macedonia, we are finding that it takes about 6 weeks to get a tank unit back up ready to go.

Mr. LONGLEY. There are not tanks deployed in Macedonia.

General JOULWAN. But there is a tank unit without tanks.

Mr. LONGLEY. Personnel.

General JOULWAN. Personnel. To get them trained up. We are putting training simulators there to keep their skills up. But we are trying to shorten the train-up time it takes to get them to do their primary mission again.

Mr. LONGLEY. Let me be more specific, and I recognize that terminology is an art form, but if you have a unit deployed with its equipment and it leaves an area of operations, then I am assuming that there is some amount of time required to service the equipment, replace broken parts to maintain equipment.

You have normal personnel rotations. You have to retrain individuals, you have to get back into unit training possibly to again maintain those capabilities and kind of rebuild that over again even before you can give the order to say I want you to go from point A to point B.

My question is also asked with reference to other experiences in Desert Storm and even in Bosnia, that it took a period of almost 6 to 8 months for us to take a force from Europe that was not actively engaged and under very clear almost peacetime conditions to move it to CENTCOM and Saudi Arabia, and that took 6 months without any—under the most favorable conditions that one could imagine. It took us a minimum of 2 months to deploy the force from Germany into Bosnia.

I guess what I am suggesting is how much more time are we looking at if we have to take that force out of Bosnia and move it somewhere else? Not only to exit the country and regroup, but do a number of, complete a number of steps that we frankly were not confronted with when we first deployed the force to begin with. And really what I am really driving at is if there is any lesson from the gulf war that our adversaries have derived is don't give the United States 6 months to build up its force structure. And I am coming right to the heart of this whole MRC strategy because the suggestion is that we have a win-hold strategy.

I am very concerned that we have a hold-hold strategy, hold-hold and maybe win, but at least in the short-term maybe in the long term we are going to prevail, assuming that nothing else changes. But it seems to me that in the short-term we have at best a hold-hold strategy because of the requirements of redeploying and retraining, reequipping and reply deploying that force. Comment from either of you.

General JOULWAN. I would briefly and then let General Peay, but for example, it depends on what force you are talking, what type unit you are talking about. I talked about it. I think the engineer artillery logistics units can go quickly. There may be some reforming that is needed, but they can move quickly, I think.

Let me give you a real example. The 3325 infantry in Vicenza, we pulled them out in the middle of February. I got a report this morning that April 1 they are ready to go to be the theater reserve again. So that is about 6 weeks of regrouping, retraining, and getting ready to go again.

I did deploy some of the forces from my corps to Desert Storm in 1990. In fact, the first unit ever deployed out of NATO was an Apache brigade and it worked for General Peay who was the 101st Airborne Division Commander, and it deployed in very short order. It was there in less than 30 days and it was ready to go. It went with all its equipment ammunition, et cetera.

We can move quite quickly. We have learned a lot of lessons from both Desert Storm and now Bosnia. We are getting better at what we are doing, but I don't want to downplay the fact that there is a time lag, and that is what we have to manage. It is managing risk that I think we are involved in right now. We have a magnificent force and the strength of our force is not only its equipment, it is its people and that is what we have to maintain, the edge. We have to have good quality leaders and have quality troops that we

need in the Army, Navy, Air Force, and Marines, and I am amazed at what they can do and how fast they can do it.

Mr. LONGLEY. Thank you, General Peay.

General PEAY. Sir, I think that you have to do the mathematics involved in some force sizing, and that is what you are getting at and that is certainly a part of it, but I do worry and that is what I have been trying to say most of the morning today, that I look at these kinds of things as scenarios and not strategy. They are force sizing scenarios, and I think it is very dangerous, although I think you have to do some of that underpinning as you try to sort it out.

But at the end of the day, I am very, very redundant, the reason that these young engineers can work in the high spectrum and low spectrum, can move from Europe—General John Abrams left me yesterday in Camp Blanding, FL, where we were doing Internal Look, which is a big exercise in our theater. There he is working in Bosnia as a key leader for George Joulwan and he is working here in my exercise Thursday and Friday at Blanning.

The reason we do that is because the youngsters have served with considerable amount of time in battalions, considerable amount of time in schools, and considerable amount of time on staffs at all levels. So you will build leaders of flexibility. That is the 25-year lead that we have on everybody today, is our leadership. Our people. And so we need these divisions of certain numbers, and I have indicated today I think we have gone about as far down as we should go.

The piece now is can you maintain the operational and maintenance accounts and the schooling accounts that allow us to keep sending people to these kinds of career development assignments that can lead these very small number of 10 divisions in the future. I think that is the challenge today that is difficult to understand, and I recognize a lot of that is trust between us as we try to indicate how thin that all is, but I can tell you that despite tremendous work at least in the one I am familiar with, and I have been to Maxwell and talked to their schools and I have been to a lot of the Army's schools today, and my 35 years of intuition and sensing is that we are not the same thing there that we were in our time. And the problem is that bubble doesn't show up in our period. That bubble will show up 15 years from now just like the equipment piece shows up 15 years from now.

Mr. LONGLEY. Thanks, gentlemen. Thank you, Mr. Chairman.

The CHAIRMAN. Thank the gentleman. Gentleman from Mississippi, Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman, and I want to thank the generals for sticking around for as long as they have. And particularly General Joulwan, thank you for your visit last week. It was a real honor to visit with you. This tends to be a very nonpartisan committee. Regardless of who is running the show we try to do what is best for the Nation's defense.

One of the issues of contention I can see coming this year, and I think it is a serious issue is how much money do we spend additionally on missile defense. So I am going to pose a theoretical question to you. If by some chance the Budget Committee and the appropriators were to give this committee an additional \$7 billion,

much as they did last year, in your expert opinions, given the responsibilities that you have, how much of that would you devote towards additional missile defense and how much of it would you put towards other needs, like the aging helicopter fleet, the 140's, just beans and bullets and quality of life?

General PEAY. Sir, I can't in this job—I can't answer a percentage, but I will give you some issues.

Mr. TAYLOR. Give us some guidance, general.

General PEAY. Let me try to give the areas I would put it on. Two-and-a-half, three years ago, when I was Vice Chief of Staff of the Army, I told this committee we were \$11 billion short across the POM. I had that kind of visibility across the POM.

In this job now I don't see POM's and have a fix on those, but I can tell you here are the areas I would go for from a central CENTCOM perspective. The first area I had on my integrated priority list I submitted to the Chairman in second tier of defense is prepositioned equipment. Although it is in the Military Construction Committee, I am finding great reluctance to support the continuation and completion of the Qatar brigade, and I think in terms of force closure strategy in this very important theater I am talking about \$100 million plus, \$119, \$120 million to put an instrument like a prepositioned brigade in the Middle East that ensures access, that clearly ensures deterrent and that holds the coalition together, because you are blending the Kuwaiti brigade with the Qatar brigade with exercises, the Five Pillars I discussed.

So prepositioned equipment we need to fund that set and get behind us, and, frankly, we need to then start looking at where we would put the third one.

Mr. TAYLOR. Would that be land-based?

General PEAY. I recommend land-based because it ensures access. It communicates with people and keeps you involved in the region. It is not to say our wonderful air membership and wonderful Navy forces that are a key piece of that are not important, but at the end of the day, this kind of relationship is a ground piece particularly in that culture.

The second one I have talked about today is theater missile defense, and I think we have to bring that from the right and bring it to the left because I think the threat is coming on us.

The third one is to buy out the strategic lift because we are still talking in the quick fashion of moving against this fellow from Iraq. Now, let me deviate a second and say that yeah, we beat him. He is no longer 51 divisions; he is 23 divisions. Those 23 divisions are not like ours. Half of them are in the 80 percent category, ready to go. The others are less, but there is a dominant military force in the region. He stands unopposed today from Baltimore to Richmond in terms of closing that force. That is what I go home to sleep with every night, wondering how I am going to respond to that 7,000 miles distance.

And the final I would put in is a parcel load of a broad sort of things. I don't know the category of it, but it gets at the readiness pieces of O&M, recruiting, schooling, all those things that keep a force vibrant. So that is the way I tried to lay out—we submitted a list of 38, and there are some NBC kinds of things and clearly we have to get on with that. There are some fratricide kinds of is-

sues we need to put money against. But that has to be a service chief integration of how he does that. Respectfully, I wish I could help you on percentages, but I don't know how to do that.

General JOULWAN. I would again defer to the larger people, the people that work up POM's, et cetera, but I think it is important when we look at the future that quality of life, to me, is very important, particularly in a forward-deployed theater. How we take care of people and their families is absolutely essential and we need to look at that.

Mr. TAYLOR. General Joulwan, what I would like to know is whether or not you are giving me your representations in the order of importance in your opinion.

General JOULWAN. Yes. And I then would have to stabilize the overseas presence. I think it has been stressed several times in my theater I would stabilize that. It gives us access. It leverages our allies. It gets us into bases, and so the clear requirement for not only forward deployed, but forward-stationed forces, to me, are essential.

I would hold the force structure and not let that drop any more. We talked about strategic mobility. I wish you could have seen the magnificent job done by the C-17 for a forward-deployed CINC in the middle of winter, and it was amazing that I could leapfrog a mechanized infantry battalion when I needed to from a forward base in Hungary straight into Tuzla, leapfrog it over because this requirement was there, and watch in awe as people watched the United States move its forces around.

So strategic mobility is something we need to keep at the very top of our list as well as the theater missile defense because I think that is going to be the requirement of the future and we need to do predictive analysis, not wait for the train wreck to occur. We need to do predictive analysis and counterproliferation and theater missile defense which, to me, are key threats that are just on the horizon.

Mr. TAYLOR. Mr. Chairman, if I could have one quick followup. So in your order of priorities, if I read you right, missile defense follows fifth.

General JOULWAN. Yes.

Mr. TAYLOR. On your list. And General Peay, if I follow you correctly, and again these are given \$7 billion like last year it would follow second on your list after additional prepositioned equipment.

General PEAY. (Nodding in the affirmative.)

Mr. TAYLOR. OK. Thank you, sir.

The CHAIRMAN. Thank the gentleman. Gentleman from Missouri, Mr. Talent.

Mr. TALENT. I thank the Chairman, and I am just going to ask both of you to try to look in the future. I know it is hard when you are so busy with the now.

One of my concerns, and General Peay has mentioned this a couple of times, we are making decisions now that are going to affect what our capabilities are 5, 10, 15 years down the road, and we are doing that in the midst of a revolution in both foreign policy and I think maybe in military technology, maybe even a military revolution akin to what went on in the interwar years. It is difficult to determine threats and what the battlefield is going to look like.

But give me, from your point of view now just give me a little bit of your view, maybe your speculation, as to how different a threat, let's say from a Saddam Hussein is likely to be in the year 2005. May not be Saddam, may be a different part of the world, but somebody like that. What is the difference going to be in terms of how he is going to come after us, and what, in your view, are we likely going to have to have ready in terms of modernization in order to be able to meet it?

Where we all tend to think in terms of large armored attacks and formations and linear battlefields and the rest of it, isn't it quite likely that by then he is going to have to, or whoever that threat is going to be is going to be threatening our forward bases in an attempt to take away maybe the system of our foundational assets so that we don't have a secure lodgement in the area, that sort of thing?

Give me your idea about what the threats may be. I know we only have 5 minutes here, but I am trying to push us into thinking in those terms. We talk about national military strategies and two MRC. We cannot fight two MRC now. We probably don't have to. I don't know. We spend a lot of time and effort talking about all those things.

Give me some of your speculation, if you will, about how different the battlefield is going to be maybe 8 or 10 years from now and what we are doing right and what we are doing wrong in terms of preparing for that. In the 2½ minutes you have left.

General PEAY. Well, sir, I have to go back initially and talk engagement. That is what you have heard General Joulwan say today, and I have said it a little different way. Engagement for me is prepositioned equipment. Engagement for me is lift and getting back. Engagement is having the right command and control organizations in the country.

I am trying hard, for instance, to get an unmanned central command headquarters in theaters. In fact, our Internal Look here just this past week we set it up at Blanning so it mirrored what we are trying to do in-country and plug in to get back into the fight quickly.

So you have an engagement piece that, hopefully, deters the fight. We don't want to fight. You engage, you deter through strength. You do it through the Five Pillars in our region of providing the right security assistance, readiness to fight exercises, combined exercises with the coalition, power projection to get back into the country. That is the way we deter this thing by staying involved and staying engaged, and it varies across each of the CINC's.

Does the battlefield look any different? I think it is going to be high to low. One of our challenges is our coalitions are at different stages. We have to keep the coalitions along with us so our technology has to relate to that, but it can't slow us down—we also continue to move to the future.

I see in our area everything from not modern armies in the sense of us, although you can buy this stuff today, but certainly some robustness of armies through terrorism. So you have to fight that spectrum. I need an hour and a half with you, sir.

Mr. TALENT. I know I should probably have maybe a private meeting. I am just starting to think along these lines. I mean thinking maybe in a time of tight budgets we want to buy things that we know we can use and that is very important to do. But maybe it is also important to keep some balls rolling out there because we don't know what is going to be important, and we don't want to have to invent it all overnight if all of a sudden we decide, oh, my heavens, our forward bases are not, they are vulnerable.

So you mentioned C-17, and by the way, I know it has done an unbelievable job. We have to have a place to land them. And maybe if I am Saddam Hussein I am going to get regional dominance. The Air Force didn't work. He is not going to be a chief dominance in the traditional sense that way in the air. I am going after missiles. I am developing precise missile technology as I can to throw as many of them as I can at us, and we will have to have assets in place so we can land them.

General JOULWAN. If I can just quickly, and I will try to do it in 2 minutes because I think you raise a good question, but you have a good example here, and it is a question of foreign aid as well. We are not just going to look at Saddam Hussein from CENTCOM.

I have an operation called Provide Comfort that is based out of Turkey. We have access to bases there. It is a coalition effort. The French and the British and the Turks are with us. This is leverage. This is the world as it is. This is the thinking that we have to do.

We cannot be in a cocoon here in the United States. We have to lead, and it is having access to those bases, access to allies, and being able to project power in a way that you come at them from multiple directions. And so that is, I think, what we are going to have to do.

How do we structure that? It is going to be a combination of diplomatic and political as well as military initiatives. But I think we are moving on the right track, but it is recognizing that we have to build these coalitions in order to have the access we need that can hopefully prevent the fight, but if it does occur, we can move quickly.

Mr. TALENT. And certainly we don't cut modernization budgets any more. I am sure you would both agree with that.

General JOULWAN. Yes.

Mr. TALENT. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Mr. Tanner.

Mr. TANNER. Thank you very much, Mr. Chairman, and I would like to thank both of you all. I have met both of you before and I have great admiration for your service to our country and your dedication and your duty. I am privileged to be here this morning to visit with you and I thank you for being here. I will be very brief.

General Joulwan, there has been some recent reports about the economy in Bosnia and how that might be an impediment to what we are trying to accomplish there, and I would like you, if you could, to comment on how you see our role in that economy.

I read your statement in the Joint Contact Team Program, the state partnerships, our Tennessee National Guard has been to Bulgaria, and I would like for some assessment there and then just on

a personal note your observation of the Russian troops we are with now for the first time in a long time, their training and equipment and so forth.

And finally, we are using some Reserve and Guard components in the Joint Endeavor, and I would ask for a comment on their training and equipment. Is it comparable, compatible, interoperable? We are trying to do some things on the Guard. And for General Peay, I had the opportunity after the Persian Gulf war to be in Egypt and had a talk with President Mubarak and his concern for the future seemed to focus on the rise of the fundamentalist movement in your area of operation and I would like, if you could, to give us a brief assessment of where we are there, and what that entails. Thank you.

General JOULWAN. Thank you, sir. If I can comment briefly on each one of the questions that you asked, the economy in Bosnia is a problem. It is very difficult because on the military side we are trying to provide the secure environment so construction and revitalization can begin. It is slowly starting. I was there on Monday. I talked to the leadership. You see some factories starting to build up, but it is going to take some time.

To do it requires this environment that I am talking about that only the military can provide. And we hope that this year we can see some movement in the rebuilding of that economy. There is a great effort by the World Bank in particular that has a three-volume plan that has prioritization to it, and we hope that can start quickly.

Mr. TANNER. Sir, am I incorrect? I am worried about this 1-year timetable, because I think the economic recovery is as big a piece of this, maybe as the separation of the warring hostiles, and my frustration with this is if we leave within a year before the economic recovery has some inertia to succeed that we are going to waste some effort.

General JOULWAN. I think that will be debated in the next several months on if there is going to be a follow-on force, what it should be. I think it premature to get into that right now because I think what we need to do is keep the pressure on the civilian agencies to continue to try to do things in the next 9 months. We have an election coming up in August in Bosnia and I think it will be very important that there is free access, et cetera.

Let me talk, if I can, about Reserves, because I have been very impressed with what they are doing. We have about 4,200 in the callup, and they are spread out not just in Bosnia, but in Germany, Hungary, Italy, and elsewhere. They are doing absolutely superb work.

The civil affairs battalion is the glue that is holding much of this together. There is, for example, a liaison from the civil affairs folks to the International Police Task Force. The leader of that is a Chicago policeman with 20 years as the Chicago police chief. There is a Ph.D. criminologist that is working with the international agencies. We have economists, we have lawyers that are working on the constitution—15 to 20 committees are influenced by these people. It is a heck of an effort that is being made by civil affairs and particularly the United States.

On Bulgaria. You might like to know that on Tuesday, right before I left to come back here, I met with the President of Bulgaria. He came to my headquarters in Mons. He visited the partnership coordination cell. He is very pleased with the cooperation that is going on both with the JCTP's, with the State partnership programs, but particularly with the Partnership For Peace. And he was asking me how would we continue to do this; how do we get seats at the Marshall Center in Garmisch. How can you help us transition to a democratic political society? It is an exciting time to be in Europe, and so I am very much encouraged by all of that.

On Russian troops, I was in Moscow on Saturday. That is probably why I lost my voice. I was in Moscow Saturday, met with the leadership there. As I said in my statement, we are running and I never thought in 35 years I would say that, running joint patrols with the Russians in Bosnia today. There is a good relationship. The Russians have spent a lot of effort in sending first-class soldiers and leaders there. I think they want to really try to reach out and work with us. And their camp area, their bivouac area is very good and I think the relationship is growing.

In this one area that is led by General Nash, the U.S. division commander, we have a Turkish brigade, a Nordic brigade that includes Sweden, Norway, Finland, Denmark, Estonia, Latvia, Lithuania, and Poland in the same area with the Russian and the American brigades. Great opportunity to build for the future. And so I look at it not just in Bosnia, but creating, I think, a new security arrangement for Europe.

General PEAY. Sir, on Egypt, as you know, they are a big, big participant in the Middle East peace process, have been a long-time friend of ours, not only President Mubarak, but General Tentawi and others in the Egyptian military hierarchy, a history of good relationships. Unfortunately, their country is really hit with very marginal growth if that, and the unemployment rate is very, very high.

Some people just said it to be 14 to 18 percent. Cairo, you see the millions of population that are in or out between day and night, a teeming city. In all of that there are the economic challenges, the aspirations for better education, good health, water, food, fuel, the Islamic fundamentalism problem. They are very, very dependent on us for military aid.

A lot of their old Russian Warsaw Pact equipment is now on their last legs. The moneys that we give them are proportional somewhat to the Israeli challenge, a key to their future years from a military perspective. I think Islamic extremism is going to continue as long as that country's leadership can't come to grips with the people challenges that are so important.

So in the short term, I think he is in control. Long term there is a lot of work to be done. As I mentioned earlier, it is a key country, not only for its stability of where it sits in the region, but just on pure military access as throughput into the greater gulf region is essential.

The CHAIRMAN. I thank the gentleman.

Mr. Geren.

Mr. GEREN. Thank you, Mr. Chairman. I also want to join in thanking the witnesses for their testimony and for their service.

General Peay, if you could follow up on Mr. Tanner's last question in a little more detail, your area of responsibility is, I think, one of the most little-known and little-understood parts of the world from the perspective of most of us Americans. The internal conflicts, I think, defy understanding for most of us and the traditions that we draw on to understand the world around us.

In your testimony in some of your comments today you touched on some of the problems in each of these countries. If you could just take the little time I have and walk through your region and perhaps an area of priorities where you think the greatest threats to instability come. You mentioned, Egypt the problem with Sudan-supported internal problems, the Pakistan-India strife, Iraq, Iran. How do you prioritize the threats and in the time that we have, if you could just give us a little more insight into where you see the real problems on the horizon.

General PEAY. Well, the near-term threat is Iraq. Its military is not on a par with us and we are going to whip him if he comes. It is just he is the dominant military in that region today with an irrational leader in charge. So you have the impact on Kuwait and you have the impact if he gets further down before we can close on the oil fields. Iraq is the near-term threat.

Iran is growing, has long-range aspirations of being the dominant factor in the region. He exploits that not only with his growth militarily, whether it be nuclear that he is attaining supposedly with a peaceful view, all the way through weaponization in the gulf waters, hegemony over some of the islands that exist there and the frustrations that causes with a number of smaller gulf countries.

Gulf leaders will tell you they have to live in that region, but down deep they have deep, deep concerns about Iran and the future vis-a-vis their own defense. I mentioned the explosiveness of Pakistan and India. I have to believe down deep that although it is explosive, that cooler heads will prevail and we can keep the lid on that one. A lot of that is done through personal relationships with senior military leaders.

The Iran piece and the explosion of terrorism into Sudan, training bases further into General Joulwan's area and even into our own country in terms of groups that are sent here have to be of concern to our Nation. You handle that through strength so it is very, very clear that any attempt on our interest will result in a military response that should not make that an acceptable choice on their part.

Mr. GEREN. It is incredible to me that Saddam can continue to have the strong political position that he appears to have, considering what he has put his country through. Talk a little about his political base and the source of his grip on the country and his leadership with his military, whether or not his handling of the gulf war has destroyed or threatened his credibility with military officers?

General PEAY. I think the only way that one can understand this, and you know the long-range traditions of the Ba'ath Party and coming from Tekrit and where that all evolved—people say how has he managed to stay in control so long. I think it is because he has such a dominant hold on all of his party, his thugs that are around him as well as how that moves into his military pieces.

When you look at these people they have no choice. First, they don't know, and those that know, I don't think they have any choice but to accept this on fear. If Saddam were to be taken down, all those around him will be tried for the same war crimes and those things that this very ruthless dictator has put on his society over time. So he has a definite control over his factions.

We need to be careful about that as we go through humanitarian relief that tries to balance taking care of the Iraqi people that historically have been good friends of ours and trying to handle those challenges vis-a-vis letting him out of the bottle where he puts this money back into acquiring more and more weapons and technology that he puts into a military that he controls.

I don't think there is a clear answer on this one right now except to remain resolute. We are going to go through a tough time as we see how these U.N. resolutions come out over the next month. I hope that we stay tough on sanctions. The Ambassador indicated to all of us plus the Kamel defection—he is deceased now, but what we got out of his defection in terms of what Saddam is going to do. It is pretty well laid out in terms of his capabilities. There is no question in my mind that he is going to pursue rebuilding his military and continue to push throughout the gulf region his own programs, much of which involve hatred and dominance.

Mr. GEREN. Is another clash between Iran and Iraq inevitable in your opinion? Is there a way to avoid that?

General PEAY. I don't see that right now. That position is always going to be there. There are incursions in the northeast part of Iraq, and you will see movements of forces from Iran into that border north of Basra. But in the bigger sense I don't see that as a challenge right now. I see Iran continuing to export its own form of terrorism as it pushes its hegemony in the gulf and its Islamic programs and I see Iraq as near term, peace trying to get through this period, and over time, survive our constraints and once again be a threat in the gulf region.

The CHAIRMAN. We have a vote on and I want to recognize Mr. Dellums.

Mr. DELLUMS. Thank you, Mr. Chairman. There is a potential for a series of votes to occur which means we may be delayed from 20 to 30 minutes. I would love to engage both witnesses about this. This is exciting testimony, thoughts and ideas that I would like to draw out even further, but given the logistics that we are in we will just have to save that for another day.

I am sure that the three of us will be talking on these matters perhaps in some other venue. With that, Mr. Chairman, I would yield and reserve the opportunity to come back at some other point. I may have a couple of technical questions that I would submit in writing and ask you to respond.

The CHAIRMAN. Without objection, I thank the gentleman for his consideration of the time.

Gentlemen, thank you very much for your input this morning. It has been helpful in our deliberations. We have a lot of work to do yet, but you have helped a whole lot. We hate to let you go right now, but we better do it.

We have another meeting at 2 o'clock.

[Whereupon, at 12:07 p.m., the committee was recessed, to reconvene at 2 p.m., this same day.]

The CHAIRMAN. The meeting will please be in order.

OPENING STATEMENT OF HON. FLOYD D. SPENCE, A REPRESENTATIVE FROM SOUTH CAROLINA, CHAIRMAN, COMMITTEE ON NATIONAL SECURITY

I apologize for the running back and forth, but they said a vote was imminent within 1 minute and we got over there and they extended the time so we decided to go ahead and get started anyway, and we are waiting on the ranking member, but he will be here momentarily.

Gentlemen, it is good to have you with us. We have been hearing from Secretary of Defense, the Service Secretaries, the Chiefs of Staff of all the services, and the JROC yesterday, and this morning we heard from two other commanders, General Joulwan and General Peay, and this afternoon, of course, we are pleased to hear from you and have you here.

This afternoon's committee will continue with testimony from the regional Commanders in Chief. Appearing before us today is Adm. Joseph Prueher, Commander in Chief of the U.S. Pacific Command; Gen. Gary Luck, Commander in Chief, U.S. Forces Korea; and sitting in for General Sheehan is Vice Adm. Harold Gehman, Deputy Commander in Chief of the U.S. Atlantic Command.

Gentlemen, let me welcome you to this committee this afternoon. I look forward to your testimony. As I said, we have heard from all these other people before now, but we are getting down to where the action is now because you gentlemen are on the front lines where things are happening and we are pleased to have you with us for that purpose.

As I mentioned this morning, I believe it is critical to have the senior war fighting commanders included in our initial oversight hearings in order to give us a real world perspective on the challenges facing our military. In particular, I would appreciate all of you sharing your views on the implications that future force structure cuts would have on your ability to execute your mission in your respective area of responsibility. In essence, we are interested in understanding the capability and risk tradeoffs associated with deeper force structure cuts.

Before I recognize the witnesses, I would first like to recognize the ranking Democratic member, Mr. Dellums, for any comments he would like to make.

STATEMENT OF HON. RONALD V. DELLUMS, A REPRESENTATIVE FROM CALIFORNIA, RANKING MINORITY MEMBER, COMMITTEE ON NATIONAL SECURITY

Mr. DELLUMS. Thank you very much, Mr. Chairman. My thought is that I would ask unanimous consent to revise and extend and place my opening remarks in the appropriate point in the record following your opening remarks and simply join you in welcoming our colleagues and that will give us more time to engage our distinguished witnesses, and with those brief remarks I would yield back the balance of my time.

[The prepared statement of Mr. Dellums follows:]

OPENING COMMENTS
HON. RONALD V. DELLUMS, RANKING DEMOCRAT
HOUSE NATIONAL SECURITY COMMITTEE
HEARING WITH CINPAC, USFK AND CINCLANT
MARCH 28, 1996

Mr. Chairman:

It is with great pleasure that I join you in welcoming Admiral Prueher, the CINCPAC, General Luck, the CINC of U.S. forces in Korea and Vice Admiral Gehman, the Deputy CINC of the U.S. Atlantic Command.

The Pacific Command has enormous geographic responsibilities, including ultimate responsibility for our troops in Korea. I very much look forward to the testimony of both Admiral Prueher and General Luck concerning the situation on the peninsula, their perspectives on likely developments and their views as to how the United States can continue to make a contribution to diffusing the conflict there. In that regard, I am especially concerned to hear of their views regarding the continuing effort to control and cannisterize spend nuclear fuel developed in the Democratic People's Republic of Korea. Before this effort was commenced, alarm was raised that this material could be diverted to the construction of nuclear weapons by the North Koreans. It is my hope that this effort has

helped to diffuse tensions that had arisen over this issue.

In addition, the committee will certainly benefit from Admiral Prueher's insights from the recent confrontation between the People's Republic of China and Taiwan, and the U.S. response during those tense days. Your view on where security arrangements in the region will go far in helping us to answer long-run questions of force structure, deployment and operations.

The U.S. Atlantic Command has multiple responsibilities, both as an area command and as a force mobilizer for all of the CINCS. I very much look forward to hearing from Admiral Gehman regarding how the command is juggling these competing responsibilities. In this light, I am curious to know how the transfer of area responsibilities has impacted planning for our mission in Haiti and for continuity of programs to the Caribbean nations.

As I asked our witnesses this morning, I am also interested to learn of your thoughts on the current discussion that suggests we will revisit the Bottom-Up Review analysis. Many of us have felt that the BUR no longer

fully captures our national security requirements and we welcome this opening. Your thoughts on this topic would be very useful.

Thank you, Mr. Chairman, and with that I very much look forward to hearing from our witnesses this afternoon.

The CHAIRMAN. Thank you very much.

Without objection, the written statements of each of the witnesses will be entered in the record.

Admiral Prueher, do you want to lead off.

**STATEMENT OF ADM. JOSEPH W. PRUEHER, USN,
COMMANDER IN CHIEF, U.S. PACIFIC COMMAND**

Admiral PRUEHER. Yes, sir, thank you very much. I appreciate the opportunity to be here as well as submission of our written statements for the record.

As you may know, I have been in command a little less than 2 months in the Pacific Command and it has been busy in that period of time. I have learned a lot and am learning a lot as we move along through that.

My written statement has both a regional overview in it, a summation of our strategy in the Pacific, of cooperative engagement, and a summary of the military relations with some of the 44 nations with whom we engage there, and a little bit about the importance and some statistics about the importance of the Asia-Pacific region to the United States as it becomes critical, more critical to our national interest.

One of the things that is already apparent to me in my short tenure is the tremendous dedication of the young men and women who are working very hard and are fully committed in the Pacific Command. They are well trained, they are well supported, and they are equipped to tackle the tasks that the Nation has set forth for the Pacific Command, and we have, at this point, I think, adequate forces to carry out the missions that the Nation has assigned to us.

Our strategy in the Pacific of cooperative engagement is one in which our military forces participate in the military portions, the security-related portion, along with our diplomatic and economic and political factions in the Pacific to engage the nations so that we have a framework on which to deal during peacetime. Then we have the ability to respond to crises, and we have a series of bilateral alliances or bilateral treaties, seven of them, and then we have a number of friendships. And we work this full time both with forward presence and rotational forces and forces that are based overseas. This is very important to us as we move along.

One of the things that has dominated the time in the last couple of months has been the China-Taiwan crisis, which I think you would be proud of the interagency action that has gone on with State Department and the Department of Defense and National Security adviser to meld the various forces and the communications that we have in place to work with China and Taiwan, I think, to bring it to what we all agree is an abated state for right now.

As we were talking a little earlier, I believe this is just a blip on our relationship with China, as we engage China to neither appease them nor contain them, but engage them, or try to engage them in a normal relationship as they emerge as the Pacific power that they have traditionally been.

One of the things that enabled us to respond to this crisis was our ready forces and we had forces that were trained, forces that were prepared and they were forward deployed and able to respond very quickly with the *Independence* Battle Group to respond to the

China-Taiwan crisis. I believe that we were able to send a measured, a balanced message both to China and Taiwan, one of firm commitment to the area in the terms of the PRC that the United States was committed to a peaceful process of reunification, and also a commitment to the vicinity to our allies out there and that we are firmly there in the Asia-Pacific region.

At the same time, sending that measured response to Taiwan that we were there to make sure that they did not get, have their interests run over, but to not embolden them too much more than was necessary.

These ready forces were made up, as I mentioned, of the Battle Group *Independence* and also the ship from *Bunker Hill*, and I would like to go through four things that we used to look at readiness and the four things are training that the people are well trained to use the assets they have assigned; the tactics, that the leaders and the people responsible for engaging these forces have tactics which are sound and take advantage of both the technological and the time, rate, distance capabilities of the forces we have; the technology itself, that we have modern technology to apply and equipment that works, which we have very well; and the fourth element is people. And we have qualified people working on driving our ships, running our tanks and our soldier-sailors and airmen and marines are all well qualified.

From our viewpoint, these four things, training, tactics, technology, and people, are the standards by which we should judge our readiness. And if we have them, we will have good readiness. If any one of those four things lags, our readiness will be no better than the weakest link of those four things and that is, I think, a good way of looking at readiness.

As to what we need, our force structure is about right. Our readiness at this point is sufficiently high. The challenge facing all of us, both at the combatant CINC's as well as the Congress and our Department of Defense mechanisms and the people is to try to bring into balance our future modernization or future readiness with what we spend these days on our current readiness and our force structure and this balance is a tough one.

In my view, I think about it as 20/20 as a combatant CINC. In 20 minutes we may get a phone call to react to something, and we have to be prepared to do something, but also 20 years from now we need to make sure that the people that are in our positions then are also able to say that our forces are ready and they are sufficient.

Balancing this is not necessarily, of course, an easy process, and one of the things that I feel the combatant CINC's owe the Congress and owe OSD is not just our statement of requirements, we also owe you very careful planning so that we do not squander assets as well as a commitment to the future and good stewardship of the time, talent, assets and the people's lives that are entrusted to us. I think all of the CINC's are certainly on board with this notion.

That concludes my opening remarks, sir. I look forward to questions later.

The CHAIRMAN. Thank you very much.

[The prepared statement of Admiral Prueher follows:]

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STATEMENT OF

ADMIRAL JOSEPH W. PRUEHER, U.S. NAVY

COMMANDER IN CHIEF

UNITED STATES PACIFIC COMMAND

BEFORE THE HOUSE NATIONAL SECURITY COMMITTEE

POSTURE HEARING

MARCH 28, 1996

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Mister Chairman and Members of the Subcommittee:

It is a sincere pleasure and honor to be here representing the men and women of the United States Pacific Command. In this statement, I'll highlight some compelling rationale for our continued active engagement in the Asia-Pacific region, our strategy for engagement, how our strategy is working, and what support we need to continue to be an effective force for stability and peace.

THE ASIA-PACIFIC IMPERATIVE

Today, there is nearly universal awareness of the Asia-Pacific region's demographic, economic, and political significance to global affairs.

- 62% of the world's population
- 32% of the gross world product
- \$270 billion foreign exchange reserves
- Oil demand of over 14.5 million barrels per day
- Home to 6 of the world's 7 largest armed forces (U.S. is number 3)

Often lost in the flood of regional statistics is the profound and increasing impact the region has on U.S. interests. The Asia-Pacific region already accounts for 37% of our total two-way trade. This is greater than our total trade with Canada and Latin America, and it is twice our two-way trade with Europe.

U.S. trade with the Asia-Pacific region accounts for over 2.5 million American jobs. As the world's economic center of gravity settles in the Asia-Pacific area, U.S. ties to the region are becoming stronger and more interdependent. Within the next decade, nearly 60% of world economic growth will be generated in East Asia. With that growth, U.S. trade and investment across the Pacific will certainly increase.

The region's future is bright and its prosperity is in the United States' interest. There is optimism about the prospect for continued dynamic regional economic growth and concomitant gain in international political influence. Concurrently, the region faces challenges and uncertainties that directly link economics, politics, and security. Some of these include:

- current and potential nuclear powers, large conventional forces, and smaller militaries embarked on rapid technological modernization,
- increasing importance of shipping lanes resulting from the expanding volume of trade and the proximity of ethnic, ideological and territorial disputes to chokepoints,
- growing energy demand -- increased dependence on imported oil -- as previously agrarian nations industrialize and urbanize,
- broader need and desire for multilateral cooperation driven by expanding commercial ties,
- diffusion of advanced technologies applicable to both civil and military production,

- single-party, authoritarian regimes that mask their military capabilities and intentions, thus raising anxiety levels among their neighbors.

Nowhere is the confluence and interplay of economics, politics, and security as great as in the Asia-Pacific region. The U.S. is in a unique position to be an influential partner in this arena. Key to shaping the regional environment toward a favorable future is maintaining a regional order of cohesive security that facilitates cooperation across all dimensions of international relations: economically, politically, and militarily. A strong military dimension, one that is credible and has the support of the American people -- the National Will -- can create room for the economic and diplomatic dimensions to work.

Security is the first pillar in the President's integrated regional strategy for East Asia and the Pacific as articulated in his *National Security Strategy of Engagement and Enlargement*. The Secretary of Defense and the Chairmen of the Joint Chiefs of Staff have promulgated supporting strategies in the *United States Security Strategy for the East Asia-Pacific Region* and the *National Military Strategy of Flexible and Selective Engagement* respectively. The binding theme is 'security through engagement.' This theme is carried forward in the Pacific Command's theater military strategy of *Cooperative Engagement*.

COOPERATIVE ENGAGEMENT

Cooperative Engagement is a well-established, winning, military strategy. Developed by Admiral Larson, nurtured by Admiral Macke, and a framework with which I wholeheartedly concur, it is a comprehensive, constructive approach that guides the employment of the entire range of PACOM's military resources such as forces, assets, funds, and programs. One of the strengths of *Cooperative Engagement* is that it has been consistently applied over the past four years and it is therefore well understood by the militaries of our friends and allies throughout the region. This consistency and predictability over this amount of time have proven to be meaningful and reassuring. It is also an inherently flexible strategy that serves us well during this period of dynamic change and growth.

In peacetime, we pursue reassurance through the forward stationing and deployment of our military forces, as well as a broad range of military activities. The scope and depth of this effort in 1995 was remarkable:

- 18 multilateral conferences with participants from over 36 nations
- 389 staff talks in over 34 countries
- 221 joint/combined exercises in 23 countries
- 77 humanitarian/civic action programs in 23 countries
- 718 port visits in 23 countries, a 45.9% increase over last year's port visit days

Our presence and our peacetime military activities reinforce our relationships and access with friends and allies, reassuring them with respect to our long-term commitment, the effectiveness of our warfighting capability, and the values and quality of our people.

In crisis, we work to deter aggression and encourage cooperation with our friends and allies. We work hard in the Pacific Command to develop innovative approaches to joint (multi-service) and combined (multi-national) warfighting. We continue to train our people and our warfighting forces for effective crisis response, from minor contingencies such as PROMPT RETURN, the repatriation of Chinese migrants from Wake Island, to humanitarian efforts or disaster relief, such as that provided to Japan following the Kobe earthquake in January 1995.

In conflict, we remain ready to prevail in combat. We are prepared to win unilaterally if necessary -- but we prefer to act together with allies and coalition partners who have a common stake in regional security. Because our forces are ready for war, we are able to remain committed to peace. The two go hand in hand toward our goal to prevent conflict and to foster cooperation. Proactivity is much more effective than reaction in pursuing our security strategy. Our engagement, combined with forehanded planning, reduces the risk of aggression and helps to diffuse hostilities before they erupt into open conflict. Should deterrence fail, we remain prepared to fight and win.

COOPERATIVE ENGAGEMENT: PROGRESS

The following is my assessment of the theater with examples of how this strategy is working.

- Japan The U.S.-Japan bilateral security relationship is the cornerstone of U.S. security policy in the Asia-Pacific region. Japan currently (and for the foreseeable future) casts its strategic fortunes with the U.S., and depends upon American security guarantees in an exclusive bilateral defense arrangement. Japan's strong support for the non-proliferation policies reflects the Japanese government's commitment to forego arms exports and possession of nuclear weapons. Those who argue that this is a one-sided arrangement are misinformed.

Tokyo's financial support for the presence of U.S. military forces in Japan was recently reaffirmed with the September signing of a new Special Measures Agreement that will provide for continued GOJ Host Nation Support out to 2001. Japan supplies by far the most generous host nation support of any of our allies. Japan also provides a stable, secure environment for our military operations and training. The GOJ has annually assumed an increasing share, and will assume virtually all local labor and utility costs of maintaining our forces this year. Japan also funds leases for land used by U.S. forces and incurs indirect costs such as waived land use fees, foregone taxes, tolls, customs, and payments to local communities affected by U.S. bases. Taken together, these categories represent contributions of more than \$4 billion annually. As part of its host nation support, Japan also funds facilities construction under the

Facilities Improvement Program. This contribution is an additional amount of approximately \$1 billion. Overall, Japan pays over \$5 billion dollars in burden sharing.

The U.S. and Japan share a strong commitment to maintaining a close, cooperative relationship that goes well beyond purely military activities. This relationship far transcends the visible demonstration of our humanitarian response demonstrated during the tragic Kobe earthquake. Our partnership addresses broader issues relating to security, including promoting international law, coordinating foreign assistance efforts and global burdensharing activities. Frequent bilateral U.S. and Japanese military exercises continue to enhance the professional development and interoperability of our militaries.

Finally, the U.S. government and the Government of Japan are working together within the Special Action Committee for Okinawa (SACO) to reduce the burden of U.S. force presence on the Okinawans, while maintaining current combat capabilities and readiness. SACO objectives are to realign, consolidate, and reduce our facilities on Okinawa; to resolve problems related to the activities of U.S. forces; and to address other mutual issues. The Committee has already identified the various planning factors impacting these efforts and is continuing to study a number of proposals. The SACO will make its final report to the Security Consultative Committee by November 1996.

- Korea U.S. military presence and cooperation with the Republic of Korea (ROK) are visible reassurances of U.S. commitment to the security of the ROK. Stability on the Korean

peninsula -- the historical confluence of Japanese, Chinese, Russian, Korean, and U.S. interests -- is inextricably linked to overall regional stability.

The Nuclear Agreed Framework reached in October 1994 froze the North Korean's nuclear program and reduced regional as well as peninsular tensions. Even though North Korea has complied with the provisions of the agreement, tensions rise and fall each time negotiation of details within the agreement bog down. The North continues to abide by the Agreed Framework's step-by-step approach, but negotiations remain difficult. Even the modest progress last June in the U.S.-North Korea talks in Kuala Lumpur, obtaining Pyongyang's acceptance of a ROK-model reactor and a primary ROK role in the Light Water Reactor Project (LWR) does not dilute lingering uncertainty. Until the Agreed Framework is fully implemented, we must maintain the capability to enforce sanctions or any other economic or diplomatic measures designed to induce North Korea compliance with the Agreement.

Though the nuclear question is prominent, the convergence of three additional concerns -- their conventional forces, the leadership situation, and the potential for economic collapse -- demands our vigilance as well.

North Korea's forward deployed conventional military capability poses a serious obstacle to stability on the Korean peninsula. North Korea retains a standing military force in excess of defensive needs. For example, it maintains a standing army of over one million soldiers, the majority of whom are deployed within 100 kilometers of the demilitarized zone (DMZ).

They also have a substantial large-caliber artillery capability entrenched along the DMZ that can range Seoul. Recent forward movements of aircraft, restructuring of ground units, and testing of command and control systems display efforts to maintain viable military capabilities in a forward-deployed posture.

Two years after Kim Il-Sung's death, North Korea is still undergoing the first hereditary transfer of power under a communist regime. The rationale for the delay in Kim Chong-Il's formal accession to key posts is unclear, but one thing that has not changed since Kim Il-Sung's death is the priority placed upon regime survival. If Kim Chong-Il believes his survival is threatened, he may resort to the military option. We must remain prepared to defend against such an attack.

Poor agricultural techniques and severe weather contributed to North Korean grain production shortfall. This shortfall triggered an unprecedented appeal for foreign assistance. Although the seriousness of this problem is open to interpretation, we can assume that it has caused additional stress on both the economic and political systems.

Meanwhile, the ROK is making great strides as a nation. President Kim Young Sam's "globalization" policy has taken root and we have seen him take steps to enhance the ROK's political and economic interests. The ROK's relations with China, Russia, Japan and Southeast Asia continue to improve.

In terms of relations with the U.S., the ROK clearly can no longer be viewed as largely dependent on the U.S. South Koreans have grown into full-fledged partners. The assumption of

operational control of ROK military forces, difficult burden-sharing negotiations for ROK contributions in support of U.S. military forces, and public demand for a review of the ROK-U.S. Status of Forces agreement illustrate their change in attitude. Nevertheless, continued U.S. military presence has never been brought into question -- support remains widespread throughout Korean society. Very clearly, our security relationship is one of the bonds that will hold our countries together and help meet the challenges ahead.

- China With one-fifth of the world's population, strategic nuclear weapons, veto power on the United Nation's Security Council, and a dynamic economy, China is definitely a world power -- a proud nation grappling with change. Our relationship with China is one of the most important considerations for our strategy of *Cooperative Engagement*.

China and the U.S. have many areas of complementary interest. An approach that emphasizes contact and dialogue -- engagement -- offers the greatest promise for maintaining stability of the Asia-Pacific region. Recent military contacts include Chinese participation in the PACOM-sponsored Pacific Area Senior Officer Logistics Seminar in September and the visit of the USS Fort McHenry to Shanghai in January. The Chinese military and the U.S. military have maintained contact and provided a basis for continued dialogue even during times of disagreement.

The People's Liberation Army is a major player in Chinese politics and remains a main force in supporting internal

stability, economic progress, and external respect. That is why our growing program of military contacts with the Chinese military is so important. As China's future unfolds, the PLA will continue to play a pivotal role. By engaging the PLA directly, we can help promote more openness in the Chinese national security apparatus, including its military institutions. Promoting openness, or transparency, about Chinese strategic intentions, procurement, budgeting and operating procedures will not only help promote confidence among China's neighbors, but it will also lessen the chance of misunderstandings or incidents when our forces operate in proximity to Chinese military forces.

We engage the Chinese in promising regional security dialogues designed to convey intentions and build mutual confidence. However, the ongoing Chinese exercises opposite Taiwan and recent missile launches to areas off the Taiwan coast underscore the importance of our efforts. The increased emphasis of PLA training exercises on multi-service operations reflects China's efforts to increase its military capability. This is coupled with Chinese purchases and construction of sophisticated weapons systems and efforts to streamline force structure. At present we believe China has only a limited, but increasing, capability to project power and sustain offensive operations.

We have made it very clear to China that we are sticking to our one-China policy and the principles set forth in the U.S.-China communiqués of 1972, '79 and '82. We have reaffirmed that we have no intention of advocating or supporting a policy of two Chinas, or of one China, one Taiwan. Now, the Chinese have to

show that they, too, want a peaceful resolution to this issue. Conducting exercises off Taiwan prior to the 23 March Taiwan Presidential election sends the opposite message.

We believe the best long-term approach to working with the Chinese is cohesive, constructive engagement among the political, economic, and security arenas. PACOM is engaged in a major role in the security piece of this strategy.

- Russia USPACOM is particularly well positioned to support the Chairman's Russia Program with Pacific Russia through military contacts. Objectives are to support democratic reforms, accelerate the deactivation of nuclear weapons, foster mutual nuclear disarmament, encourage counterproliferation, and lay groundwork for collaboration in regional crises.

To accomplish these objectives, we've engaged our Russian Far East military counterparts across the board, from all services and all ranks. USPACOM engaged and established a solid rapport with senior military commanders in the Russian Far East. These exchanges triggered top-down approval of lower level contacts and, perhaps more importantly, the release of resources to conduct them.

We also had success in setting up bilateral/multilateral exercises and unit exchanges. These contacts are important for both training value and the opportunity to engage and develop rapport between mid-level officers -- the future leaders of our respective militaries. They also lay groundwork for prospective multilateral efforts such as peacekeeping and disaster relief by enhancing interoperability. In addition to the military contact

program, PACOM provided one carefully tailored airplane load of medical supplies following the earthquake on Sakhalin Island, as well as supporting another private sector relief effort.

The next step in the evolution of our U.S.-Russia program will be towards increasingly complex combined operations and multilateral military contacts. Our program has bred broader acceptance of the "new" Russian military in the region, as evidenced by expanding military-to-military contacts between Russia and Korea, China, and even Japan. These relationships will help to further integrate Russia into the Pacific community. The best measure of our success is our program has encouraged additional downsizing and restructuring of Russian Far East forces for defense, thus contributing to regional stability.

We could not have conducted these U.S.-Russia military contacts without the support of Nunn-Lugar funding provided under the Cooperative Threat Reduction Program. We have already reaped tremendous benefits from this rather modest investment. As we continue to engage the Russian military leadership, we expect even more benefits. Continued funding of this program is essential.

- Vietnam Two significant milestones for Vietnam in mid-1995 were gaining ASEAN membership and opening of full diplomatic relations. The focus of our military relationship with Vietnam continues to be the effort to achieve the fullest possible accounting for our POW-MIA from the war in Southeast Asia. Vietnamese cooperation with this effort remains good, and we

foresee no impediments to continued progress in accomplishing this goal.

- Cambodia It is important that we sustain our efforts to ensure Cambodia can carry out their 1998 elections. The Khmer Rouge threat to the government is low as the government continues to make gains and attract Khmer Rouge defectors. However, the level of assistance required for Royal Cambodian Armed Forces (RCAF) reform and reorganization remains large and beyond the capabilities of one nation. We see a definite need to continue assistance such as demining, road building, and English language training.

- Thailand As a treaty ally, Thailand has a long history of collective security with the U.S. Our Joint Task Force Full Accounting (JTF-FA) detachment in Bangkok is the anchor for logistics support of JTF-FA detachments in Vietnam, Laos, and Cambodia. Since the U.S. closure of Philippine bases, Thailand has become the most heavily used training destination in the region. The Joint and Combined Thai-U.S. COBRA GOLD Exercises head the list of over 40 annual events. Our military-to-military relationship is one of the most productive in theater.

- Indonesia Indonesia is the world's fourth largest nation in terms of population and the world's largest Muslim nation. It occupies a strategic position astride major international sea lanes and has immense natural resources. Indonesia plays a key leadership and mediating role in the region, recently completing a 3-year tenure as the chair of the Non-Aligned Movement. Our military forces enjoy solid professional relations, although the

suspension of IMET for Indonesia had been an impediment to that relationship. The resumption of expanded IMET this year and the expansion of our military-to-military relations point to positive, mutually beneficial relationship with this important Southeast Asian nation.

- India India and Pakistan are longtime rivals due to border disputes and ethnic differences. The two have gone to war three times since partition in 1947 and have come close to war many times. Our key objective is to reduce tensions in the disputed Kashmir region. Ultimately, the long-term solution must be an Indian-Pakistani one. We maintain a robust peacetime engagement program that has ultimately led to broader political engagement with India. Last year witnessed both the signing of the "Agreed Minute on U.S.-Indian Defense Cooperation" and the inaugural Defense Policy Group meeting here in Washington. Both of these events build on four years of dramatic improvement and provide an overarching framework for our future military relations.

- The Region Overall This statement can not address every nation that is important to us in the Asia-Pacific region. Australia, for example, is a critical ally and traditional friend that shares our values, interests, and world view. Australia's participation in combined exercises, operation of joint defense facilities, and granting of access to U.S. ships and aircraft is absolutely essential to our forward presence. In the Philippines, our post-bases relationship remains strong, firmly rooted in our shared histories and a long-standing mutual defense

treaty arrangement. Singapore continues to provide U.S. access to excellent naval and air facilities, while strongly supporting U.S. forward presence. In Laos we are preparing to expand demining and unexploded ordinance removal operations. Throughout the region, the *Cooperative Engagement* strategy is effectively advancing U.S. interests.

WHAT WE NEED

• **Ready Forces** My top priority is readiness, readiness to fight and win our Nation's wars. Warfighting is the *raison d'être* for the Pacific Command. Our forces must be ready to execute our portion of the Bottom Up Review task of fighting two nearly-simultaneous Major Regional Conflicts. Ready forces provide this country with a credible deterrent against challenges to our interests; and if deterrence fails, our ready forces can buy time or make room for the other elements of national power to work. Our forces must also be ready to engage in other military operations; to execute a wide range of tasks that demonstrate our commitment and resolve.

A ready force must have quality people, realistic training, modern technology, and sound tactics. A shortcoming in any of these areas could jeopardize the war-winning capability of our forces and consequently reduce its effectiveness in peacetime as a deterrent to aggression. We must also have the capability to mobilize and project our forces; they must have tactical, operational, and strategic reach.

• Forward Presence We need to maintain our forward presence not only for crisis response, but for reassurance of our commitment to the region as well. There is no clearer signal of our long-term commitment than the presence of our forward forces. Our presence is welcomed. Evidence of regional support for our engagement comes through offers for access to ship repair and logistics facilities and periodic access to training areas and air space. The best way to deter regional aggression, to perpetuate the region's robust growth and promote our own interests is through forward presence.

• Humanitarian Demining The restrictions now imposed on our demining assistance programs inhibit our operations in Cambodia and will undercut all mine clearance initiatives in Laos. Our main assistance to Cambodia, to the Cambodian Mine Action Center, has been provided through this successful program. The Lao are now building their national clearance program. Progress in both countries would stall without the grant-basis for supplies and demolitions to conduct operations after U.S. trainers depart, and per diem and travel for our trainers. We urge you to reinstate the authority to use Overseas Humanitarian, Disaster, and Civic Aid funds for core costs of this important humanitarian effort.

• Foreign Military Interaction We gain tremendous strategic leverage from low-cost, high-payoff military-to-military programs employing our key strategic advantage: our people. From participation in technical demonstrations to multilateral conferences to high-level visits, we will continue to maintain an adequate level of reassurance through direct interaction and

exchange. These quality contacts are not "nice-to-have," they are critical activities with strategic, long-term investments of extraordinary payoff to our interests.

- International Military Education and Training One of our most cost effective *Cooperative Engagement* reassurance activities is the training of young military leaders from the USPACOM AOR in the U.S. The exposure to American values contributes to the goal of a more democratic world. These foreign leaders see firsthand the proper role(s) of the military in a democracy. Additionally, the long-lasting friendships formed between international classmates creates an unsurpassed opportunity for future professional communication. As these students return home, and ascend to positions of prominence in military and government positions, the positive value and influence expand to an even greater scope. If we do not make the personal contacts now with the region's future military leadership, we forgo irretrievable opportunities for future cooperation and influence.

- Multilateral Military Activities The conventional wisdom has been that the Asia-Pacific region offers little potential for multilateral activities. As economic bonds strengthen and expand and the need for cooperative arrangements rises, that wisdom is quickly becoming dated. In my tenure, I've already participated in two multilateral conferences, one with the special operations experts from the region and the other with ASEAN Regional Forum representatives. Although not a substitute for bilateral dialogue, there are considerable efficiencies gained in time and money. By moving carefully, at the pace with which our allies

and friends in the region are comfortable, multilateral military activities will supplement (but not supplant) our extensive bilateral engagement in the Asia-Pacific region.

The ASEAN Regional Forum is the principal multilateral regional security dialogue and it has made great strides in addressing security related topics of mutual interest, such as confidence building, peacekeeping operations, and civil search and rescue. As a standing forum for open dialogue and consultation, the Regional Forum is an agent for expanded cooperation and stability. We seek to complement our bilateral security ties through continued support of ARF initiatives.

- Asia-Pacific Center for Security Studies We have already enhanced dialogue and cooperation among regional leaders through several Center-supported conferences like the ASEAN Regional Forum's Inter-sessional Meeting on Search and Rescue co-hosted by the U.S. and Singapore governments. We expect the inaugural session of the College of Security Studies to start later this year. This College represents a highly-leveraged, long-term investment in the region's future leadership. They'll study the interrelationship of the diplomatic, political, economic, and military policies dealing with regional security issues. By studying together, they will develop mutual understanding and personal relationships that will reinforce a habit of cooperation. We appreciate the support that took the Asia-Pacific Center from concept to reality. With your continued interest, the Center's potential can be realized.

• Military Construction My top military construction requirements are warfighting infrastructure and quality of life projects. Military construction and infrastructure are key components of Pacific Command's readiness. The infrastructure in the Pacific is our platform for launching our *Cooperative Engagement* strategy. Under the "places not bases" concept, we have reduced our military base footprint in the Pacific. What remains is vital infrastructure that must be properly maintained and renewed with new facilities when mission or economics require that capital investment. The FY97 PACOM MILCON program contains 47 projects worth about \$680M (Fig A). Our critical concerns are:

The Army's Host Nation Funded Construction (HNFC) program is critical to safe and quality construction of facilities in Japan and Korea. The Government of Japan (GOJ) provides approximately \$1B in construction each year under the Facilities Improvement Program (FIP). However, FIP does not pay for U.S. government surveillance funds to ensure facilities meet U.S. quality and safety standards. In FY97 the Army requires a minimum of \$20M in Host Nation Support funds for the Pacific with a portion going to fund oversight on FIP construction in Japan and a portion going to fund oversight on Combined Defense Improvement Projects (CDIP) in Korea. The return on this investment is 60:1; for every dollar we spend, the host government spends \$60. We also need O&M dollars to maintain and repair facilities and MILCON dollars for housing operations.

We all know the tremendous contribution made by our people serving in Korea. These people deserve our support and count on us to provide military construction funds to improve their living conditions. New barracks, dining facilities, and support facilities are still in need of MILCON dollars in excess of the \$100M annual contribution by the ROK. Due to the high inflation rate, the increase represents only 3½ real growth in the ROK contribution. You provided \$35M in FY95 and FY96 to fund critical quality of life projects. I request your continued support of \$40M in FY97 for three barracks projects on our front line bases in Korea. Our troops there deserve support.

We are starting to correct the housing problem that our families have endured for so long. The completion of replacement housing is encouraging to our service and family members and a great morale builder, but we must continue our full-court press to improve their quality of life. Most of the construction budget for FY97 is dedicated to improving the family housing and barracks in Alaska, Hawaii, Guam, Korea, California and Washington. Our soldiers, sailors, airmen and Marines appreciate your commitment to improving their quality of life.

At the same time our en route infrastructure, particularly our aging POL system, is reaching the end of its service life. Many facilities that were constructed during the 1940-1950 time frame are in need of major repair or replacement. Real property maintenance accounts for essential facility repairs are "must pay" costs that continue to escalate. Readiness is degraded by hollow infrastructure which is what happens when our facilities

fall into disrepair, or when we shift O&M funds to perform incremental maintenance on those facilities.

- **People** The nexus of all of our efforts, in modernization, in the refinement of joint doctrine, and in demanding, realistic training is our people. Quality of life is not a frill. It is imperative to attracting and retaining the most motivated, intelligent, and dedicated soldiers, sailors, airmen, and Marines in the world. By sustaining support for housing, compensation, retirement and medical benefits, we not only send a clear message of appreciation to service men and women in uniform today, but we ensure that the military of tomorrow will maintain its stature as the world's preeminent fighting force. Our strategic advantage today is our people. Your continued support of quality of life improvements will ensure that we hold that advantage in the future.

CONCLUSION

With the dynamics of the Asia-Pacific region having a greater and greater impact on the our Nation's interests, it is imperative that we continue our commitment to and engagement with countries and militaries of this pivotal area. *Cooperative Engagement* is a solid framework that works today and it has inherent flexibility to work in the future. The regional assessment not only highlights successes, but also provides additional rationale for our continued engagement in this vital, potentially dangerous area. With your support, the men and women of the Pacific Command stand ready to contribute to the

security necessary for peace and prosperity well into the Twenty-first Century -- the Pacific Century.

PACOM MILCON AND HOUSING PROJECTSWarfighting Infrastructure

Squadron Operations / AMU Hangar, Elmendorf AK	\$19.4
Upgrade Storm Drainage, Elmendorf AK	\$ 2.1
POL Hydrant Fueling System, Elmendorf AK	\$18.0
Automated Field Firing Range, MCB Pendleton, CA	\$ 4.0
Maintenance Facility, MCB Pendleton, CA	\$ 9.1
Aircraft Parking Apron Expansion, MCB Pendleton, CA	\$ 2.6
Runway Overrun Improvements, MCB Pendleton, CA	\$ 1.4
Transportation Infrastructure, MCB Pendleton, CA	\$ 2.3
Dredging, North Island, CA	\$49.9
Ship Maintenance Facility, North Island, CA	\$27.0
Underwater Systems Facility, San Diego, CA	\$ 2.0
Oil Waste Collection System, San Diego, CA	\$ 7.1
SOF Adv Seal Delivery System Fac, Pearl Harbor, HI	\$12.8
Pier - Everett, WA	\$14.8
Road Upgrade, Yakima, WA	\$ 2.5

Quality of Life Projects

Family Housing Fire Station, Eielson AK	\$ 3.0
Replace Family Housing, 72 units, Eielson, AK	\$21.1
Replace Family Housing, 276 units, Lemoore, CA	\$39.8
BEO, MCB Pendleton, CA	\$10.1
BEO, MCB Pendleton, CA	\$11.8
BEO, MCB Pendleton, CA	\$12.5
Family Housing, 128 units, MCB Pendleton, CA	\$19.5
Physical Fitness Center, MCB Pendleton, CA	\$ 4.2
Medical Clinic Edson Ridge, MCB Pendleton, CA	\$ 3.3
BEO and Messing Facility, San Clemente, CA	\$17.0
Replace Family Housing, 366 Units, San Diego, CA	\$48.7
Child Development Center, Twenty Nine Palms, CA	\$ 4.0
Community Center, Twenty Nine Palms, CA	\$ 2.0
Housing Office, Twenty Nine Palms, CA	\$ 1.0
Improve Family Housing, Andersen AFB Guam	\$ 8.8
Improve Family Housing, PWC Guam	\$11.2
Improve Family Housing, NCTAMS West Guam	\$ 6.7
Road Improvements, Heleman, HI	\$ 4.0
Improvements to Family Housing, Hickam AFB HI	\$16.6
Replace Family Housing, Kaneohe MCB HI	\$11.2
Replacement Housing & Community Cntr, Moanalua HI	\$52.6
BEO Modernization, NavSta Pearl Harbor HI	\$19.6
Improvements to Family Housing, Pearl Harbor HI	\$13.8
Replace Family Housing, Schofield Barracks HI	\$10.0
BEO, Sub Base Pearl Harbor HI	\$30.5
BEO Modernization, SubBase Pearl Harbor HI	\$ 5.4
Whole Barracks Renewal, Camp Red Cloud ROK	\$14.0
Whole Barracks Renewal, Camp Casey ROK	\$16.0
Enlisted Dorm, Osan AB ROK	\$ 9.8
BEO, Everett, WA	\$10.2
Family Housing, 100 units, Everett, WA	\$15.0
Barracks Phase 2A, Fort Lewis, WA	\$49.0

FIG A

The CHAIRMAN. General Luck.

**STATEMENT OF GEN. GARY E. LUCK, USA, COMMANDER IN
CHIEF, U.S. FORCES KOREA**

General LUCK. Thanks a lot, Mr. Chairman.

It is a personal and professional honor for me to be back here to testify before this committee. This is probably going to be my last opportunity to do it and that is kind of a happy sort of a deal for me, too. Mr. Dellums asked me what I think I might do. I told the Senate Armed Services Subcommittee this morning that I was going to open a beer and bait shop and I was playing up to them and said Alabama, but really it is going to be in Tennessee. So it is an honor to be back here.

I am going to take the lead from Mr. Dellums and not make any more of a statement and stand ready for your questions and say thanks for everything you have done for me and the 700,000 ROK and U.S. soldiers over in the peninsula.

Thanks a lot, sir.

The CHAIRMAN. Thank you.

[The prepared statement of General Luck follows:]

**For Release Only by the
House Committee on National Security**

**STATEMENT OF GENERAL GARY E. LUCK
COMMANDER IN CHIEF, UNITED NATIONS COMMAND
COMMANDER IN CHIEF, ROK/U.S. COMBINED FORCES COMMAND
COMMANDER, UNITED STATES FORCES KOREA
BEFORE THE HOUSE COMMITTEE ON NATIONAL SECURITY
28 MARCH 1996**

**For Release Only by the
House Committee on National Security**

1996 CINC CFC/UNC/USFK'S**STATEMENT TO CONGRESS****MARCH 28, 1996**

Mister Chairman and distinguished members of the committee:

It is a distinct honor to present you my views on the current security situation on the Korean peninsula. I anticipate this will be my last opportunity to share my assessments and strategic vision with you as the Commander in Chief, United Nations Command, Combined Forces Command and United States Forces Korea. I will address today's potentially volatile situation on the Korean peninsula, as well as my impressions of the ROK and the ROK-US alliance, and finally, my vision for the future of my area of responsibility and the surrounding area.

First, I want to express my appreciation to every member of the command, American and Korean, and for America's continued support of our forces in Korea. Unquestionably, America's unwavering support is singularly the most important factor in regional stability in Northeast Asia over the past 40 years. However, this stability is fragile at best due to the massive forces within the Democratic People's Republic of Korea (DPRK).

North Korea remains a source of unpredictability and potential danger for the region. Its excessive emphasis on its military machine at the expense of basic economic, political and social programs poses a severe threat to its neighbors. Even with a badly deteriorating economy and years of poor harvests, North Korea continues to give priority to its military structure. The DPRK remains an isolated society whose centrally controlled economy is a total failure. This lone remaining closed, militaristic, and Stalinist society has not learned the lessons of its revisionist comrades. As the DPRK's comrades have recognized the failures of their societies and have turned to the "West" and a more market-oriented economy, the North Koreans have become even more entrenched in their outdated principles. Further, as the North Korean's economic situation worsens, their provocative actions and rhetoric become even more threatening and unpredictable toward the ROK.

Systemic failure, combined with this past summer's flooding, has created severe food shortages throughout North Korea. After decades of self-imposed isolation, its desperate food situation has caused the DPRK to seek unprecedented assistance from outside agencies and countries. However, this aid has fallen far short of the estimated 3 million tons still

required to feed its people. Compounding their dire situation is a lack of hard currency and incredible expenditures for military capabilities and operations, which equate to almost 30% of their GNP.

As we watch this situation and the severe food shortage develop in the DPRK, the question is not: Will this country disintegrate? But rather, how will it disintegrate, by implosion or explosion? And when? We worry that in a very short period, this country will either collapse or take aggressive actions against the South in a desperate attempt to divert attention from its internal situation. It is entirely possible that the leadership in Pyongyang is not, or will not, remain cohesive enough to make "rational decisions." With all of that in mind, you can understand our concern over the volatility of their situation.

Compounding the crisis is the DPRK's continued effort to undermine the United Nations Military Armistice Commission (MAC) and their failure to comply with long established protocols of the UNC Armistice Agreement. In the spring of 1994, the DPRK announced that it no longer recognized the MAC. Since that time, the situation has deteriorated to the point that currently, I have no means to communicate with the military members of the DPRK. They refuse to meet with us at Panmunjom on Armistice related

issues, and they refuse to talk to us on the telephone when we've called to protest Armistice violations. At times, their duty officers have failed to answer the phone or have told us outright they are not authorized to discuss Armistice-related issues. This obviously would inhibit our ability to defuse a situation should something happen along the Demilitarized Zone (DMZ).

Despite their internal situation and the other factors that I have described, it is the DPRK's tremendous offensive military capability, its forward posture, and its stockpiles of weapons of mass destruction which cause my greatest concern. The DPRK's military developments are overtly offensive and threatening. North Korea is offensively arrayed across the DMZ with a formidable force of over one million men and equipment. They are capable of striking at the heart of Seoul without moving a single piece of their vast arsenal forward. Further, though we are confident the US-DPRK Agreed Framework has stymied their nuclear efforts, they still retain the capability to wreak mass havoc with their inventory of conventional weapons. Most recently, their combat aircraft have been redeployed to new locations near the DMZ, requiring only six minutes flying time to the Republic of Korea's Blue House, the home of President Kim Young Sam, or for that matter, to Yongsan, my headquarters and home to our largest concentration of dependents.

Confronting this menace are the finest forces in the world. My people, both military and civilian, American and Korean, are committed to deterring aggression in our theater of operation. However, if deterrence fails, and the adversary miscalculates, we stand ready to fight and win.

Let me take a minute to talk about the Republic of Korea and the US-ROK alliance. The success of Northeast Asia in general, and the Republic of Korea in particular, has its roots in the security established through our regional alliances. Together, the Republic of Korea and United States of America have formed a commitment, as represented in our Mutual Defense Treaty, which has created an effective deterrence against aggression by the DPRK. The Republic of Korea, one of Asia's greatest success stories, has moved from a subsistence economy to advanced manufacturing in a little over a generation. Although confronted by the world's 4th largest Army, the Republic of Korea, aided in great measure by our forward presence and commitment, has developed an economy that has grown to the 12th largest in the world. The people of Korea continually demonstrate their commitment to the alliance. They have stood shoulder-to-shoulder with their American brethren from the 38th parallel on the DMZ to the jungles of Vietnam. When called upon, the Korean people have contributed what they could, when they could, to preserve and strengthen

our mutually beneficial alliance. A vivid and current example is the recently concluded multi-year burden sharing agreement signed this past November. This agreement provides the United States government \$330M in 1996 and increases 10 per cent per year in 1997 and 1998. Last year, Korea spent about \$13.8 billion on its armed services, 3.3% of its GNP. Within this budget, the South Korean government has continued to purchase many advanced weapon systems from the United States. Last year alone, through its Force Improvement Program (FIP), the Republic of Korea bought from the United States Q37 counter battery radars, P-3 Orions, LANTIRN night vision systems for their high performance aircraft, HARM, Harpoon, Sparrow, AMRAAM, and TOW missiles, six CH-47 helicopters, and spare parts for its Army, Navy and Air Force. Additionally, the ROK government continues to upgrade its Air Forces through its Korean Fighter Program (KFP). The KFP is a major purchase of 120 F16C/D aircraft for \$5.2 billion. To date, the ROK has received 21 of these fighters. Their total US procurements for 1995 were worth \$957.4 million. These procurements not only contribute to American jobs but improve interoperability between ROK and US forces. Finally, it was announced recently that between now and

2001, the ROK will spend \$113B in a 5-year plan to catch up with the military might of the DPRK.

Despite these accomplishments, challenges still exist which can hamper the ROK - US alliance. Many elements in Korean society see "the light at the end of the tunnel." They believe that the trend of events mean that they will, sooner or later, achieve a successful unification of the Korean peninsula -- or at least an end to the overwhelming threat that they face from the North. When that time comes, they believe, they will no longer be able to count on a US military commitment that "balances" their armed forces. Their lack of confidence in our long-term may have affected their force modernization programs. The ROK strategic operational concept is a "future-oriented defense policy," which foresees an "all azimuth" military capability that includes a state of the art Air Force and bluewater Navy. The apparent aims are to reduce the ROK's dependence on the US as its security guarantor. This future-oriented defense policy sometimes conflicts with our combined operational requirements.

The continued support by the American taxpayer in support of this ROK-US alliance is appreciated. Specifically, your committee's support has provided continuous funding for, and manning of, our units in the Republic of Korea, and not only do I appreciate that, but I ask your continued support.

Readiness, modernization and quality of life initiatives are among my top priorities, and funding for these areas need to be sustained for FY 97.

USFK needs money for facilities construction, modernization, and infrastructure. This MILCON shortfall has truly manifested itself within billeting and quarters. It was not uncommon in 1995 for accompanied service members coming to Korea to have a projected 6-9 month wait for family quarters. The impact upon morale of spending 9 months of a 24-month tour without family members should be understandable. The \$40 million MCA annual projections for FY 97, combined with anticipated ROK costsharing programming, is approximately the right level of funding we require. This level of funding and a little more needs to be continued in the out years. You can be assured that we are maximizing the use of every resource and are continually looking for methods to maximize the return from the resources you provide.

Another concern in our support of the alliance is the strategic lift requirements critical to our force projection strategy. If war were to occur on the peninsula, we would require a great deal of strategic air and sealift to reinforce my theater of operations. The recent agreement to pre-position equipment on the peninsula will expedite the buildup of some combat

power. However, I would be negligent if I did not point out that every delay in the closure of the forces and logistics required to defeat the DPRK means more blood will be spilled. We must maintain and improve our force projection capabilities, particularly sealift, and I ask for your continued support of the strategic lift program. This support will enhance our overall air and sealift capabilities which will be both greatly appreciated and will undoubtedly reap great benefits in case of conflict.

Theater missile defense is another key area where we must improve our capability. DPRK missiles threaten all our major ports, air bases, fielded ROK - US forces, and the population at large. This threat continues to increase as North Korea pursues deployment of more SCUDs and investment in its more advanced No Dong missiles. We have a battalion of Patriot missiles on constant guard providing lower-tier defense of key installations. However, even after upgrading to the "PAC-3" configuration, these missiles cannot cover all of our critical locations. Deployment of an upper-tier system is essential. Such a system will provide broad area coverage, which in concert with the lower-tier system will dramatically increase the probability of intercept. Your continued support of Theater

Missile Defense in the Korean theater is essential to protecting our forces and enabling victory in the event of war.

Now, I would like to share my thoughts on the future of Northeast Asia. The stability and prosperity of Northeast Asia are a matter of vital national interest affecting the well being of all Americans. Within a 400-mile radius of my headquarters in Seoul are elements of the four largest militaries in the world. Further, the PACRIM accounts for over 38% of our nation's trade - about \$400 billion - and roughly 30% of US exports which translate into millions of American jobs. Japan and Korea are both staunch US allies, but their military-to-military relationships with each other are still significantly affected by historical strains. Given the criticality of the region, the expanse of the entire Pacific area, and the complexity of relationships in Northeast Asia, I believe it may make sense in the foreseeable future to consider restructuring our military commands in order to fold all of the region under a single command to defend our interests in the area. This might be done in several ways -- a new unified command, a single sub-unified command, or reconsidering the locations of the current components of PACOM are just three examples. However we might choose to accomplish this, I believe it is important that we recognize the value of personal relationships in Asia. We will need senior representatives of the US military

that are located in the region itself so as to ensure continued personal contacts with the military leaders of the various states located here.

In conclusion, Mister Chairman, I would like to emphasize that our job is not finished in Korea. In fact, as you are undoubtedly aware, we are currently at the most critical and volatile stage in our assurance of peace on the Korean peninsula since the end of the Korean War. Attaining a successful conclusion to our combined policy objectives in Korea is within reach, but only if we continue to maintain the will and the capability to see this through to the end with our loyal ROK allies. Change in North Korea is inevitable. Our combined determination and preparedness are the keys to ensuring that change is manageable and, hopefully, peaceful.

Again, I cannot overemphasize the importance of the support we receive from both the Republic of Korea and the American taxpayers. The criticality of Northeast Asian issues demands our long-term attention, and the status of the Kim Jong-il regime and the North Korean threat remain real and unpredictable. The patience and cooperation of Congress and the American people, together with the support of our ROK allies, will enable a successful outcome to this significant effort - peace on the Korean peninsula and continued stability in Northeast Asia.

The CHAIRMAN. We might as well get started on you, I guess, Admiral Gehman. We have about 7 minutes before we have to break for this vote, so we will let you go.

**STATEMENT OF VICE ADM. HAROLD GEHMAN, USN, DEPUTY
COMMANDER IN CHIEF, U.S. ATLANTIC COMMAND**

Admiral GEHMAN. Thank you, Mr. Chairman and distinguished members of the committee. On behalf of the Commander in Chief of the U.S. Atlantic Command, Gen. Jack Sheehan, who is in Europe today performing NATO duties in his other hat as one of NATO's two military supreme commanders, I do appreciate this opportunity to appear before you.

I do have a very brief statement which I would like to make, and I would appreciate our formal statement being entered into the record.

In 1996 it will be the 10th anniversary of the enactment of Goldwater-Nichols, Goldwater-Nichols DOD Reorganization Act of 1986. I think it is appropriate that we in this room recognize that my testimony today represents a direct line of thought and energy that goes back to that fundamental change in military affairs which was wrought by an act of Congress. Just as it was intended to I think by the way.

In his report on the roles and missions of the Armed Forces as required by Goldwater-Nichols, and using his enhanced authority as empowered by Goldwater-Nichols, the then Chairman of the Joint Chiefs of Staff, Gen. Colin Powell, authored a change in unified command plan in 1993, just 3 short years ago. That change institutionalized in the DOD hierarchy a strong advocate for the joint way of doing business.

General Powell's revised unified command plan, or UCP as we call it, gave command of almost all forces based in the United States to my command, USACOM, and charged us, ACOM, with ensuring those forces were jointly trained and integrated. By integrated I mean able to operate together interoperably on the field. He thought, General Powell thought the Nation and the Nation's taxpayers deserved no less.

I appear before you today to report on whether the initiatives of Congress are alive and well and whether the taxpayers are better off for the changes we made. I do know that the image presented by us so-called geographic CINC's is the image of the section of the world that we represent, the section of the world wherein we look after the Nation's interests, and USACOM is no exception.

In our geographic area, we are the commander of operations in Haiti, commander of operations reacting to the shootdown of two United States civilian aircraft by the Government of Cuba 1 month ago. We have just closed up our immense and very costly operation rescuing and housing almost 90,000 migrants in the last 4 years, and we do, by numbers and effort at least, command the largest antidrug operation that the United States has under way. The thing that makes all four of these recent or ongoing USACOM operations significant is their close proximity to the mainland of the United States.

I will leave the details of these operations to the committee to bring out, if you so choose, except to say as Admiral Prueher said

and as General Luck said, we are very proud of the ability of the world's finest Armed Forces to demonstrate their capability to get into a place like Haiti, do exactly what was asked of them without allowing us to slip down any slippery slopes and to get out on time.

Our area of responsibility also includes 24 political entities, 13 nations, all but one of which is a democracy of some quality or another, and 11 territories of the United States or of European countries. USACOM has worked hard with the international entities to restore democracy in Haiti, and now we are watching the mid-May elections in the Dominican Republic to do what we can to foster an atmosphere to assure free and fair elections there.

This process never stops, and all these countries look north for leadership and they have found it. I think that we are all aware that all but one country are democracies.

Joint training and interoperability are relevant to the very appropriate and ongoing discussions which we are going to have regarding force structure, OPTEMPO and modernization. It is my command's position that we should be able to find both increases in effectiveness and efficiencies in the joint approach to the Department's many missions. If we cannot, we should relook at why we have the mission.

I will be prepared to comment on both efficiencies of joint training, both from the CONUS-based forces and in the commanders and their staffs which will lead these forces in war.

Because of your investment in USACOM, USACOM Joint Modeling and Simulation Center and our training facilities, we will reduce the cost in terms of money and people and their times away from home station. I do invite you and your staff that have not visited our joint training facility at Norfolk, VA, and you will see that we are conducting training that is relevant to the world as we see it, using 21st century methods and equipment and at a lower cost than we did 3 years ago.

On the very dubious note of closing by claiming that we can do more with less, I hereby close and thank you for your attention.

The CHAIRMAN. Thank you very much.

[The prepared statement of General Sheehan follows:]

**For Release Only By The
National Security Committee of the
United States House of Representatives**

***Statement of
General John J. Sheehan, USMC
Commander In Chief
United States Atlantic Command***



***Before the Committee on National Security
United States House of Representatives
28 March 1996***

**For Release Only By The
National Security Committee of the
United States House of Representatives**



**Statement of
General John J. Sheehan, USMC
Supreme Allied Commander Atlantic
Commander in Chief, U.S. Atlantic Command**



**Before the National Security Committee of the
United States House of Representatives
19 March 1996**

Mr. Chairman, distinguished members of the House National Security Committee, I appreciate this opportunity to appear before you. I would like to provide you with a brief update on USACOM's evolution since the 1993 revision to the Unified Command Plan, a regional assessment and review the Atlantic Command's:

- **Role as the chief advocate of jointness and integrator, trainer and provider of joint forces;**
- **Responsibilities and accomplishments (including an assessment of our recently completed, and highly successful, operations in Haiti and at Guantanamo Bay, Cuba) ;**
- **Extensive support for AOR disaster relief and humanitarian assistance;**
- **USACOM's strategic vision and goals;**
- **Position on readiness.**

The U.S. Atlantic Command in its current form is only three years old. Created by the 1993 revision of the Unified Command Plan, USACOM is an advocate and manifestation of the Congressional intent for a seamless, joint U.S. military force first proposed in the landmark Goldwater-Nichols Department of Defense Reorganization Act of 1986.

In the decade following the passage of the historic Goldwater-Nichols legislation, and especially over the past few years, we have made tremendous

strides training this nation's military to fight as a coherent joint team. As the drafters of that historic legislation clearly understood, no single service is capable of doing alone what can be done jointly. We at USACOM view jointness as our product, and the integration of service capabilities is the process used to ensure this nation's military remains the most efficient and effective force in the world.

Today, USACOM integrates the military capabilities of nearly all forces based in the continental United States through its components: the Air Combat Command, Forces Command, Marine Forces Atlantic, and the Atlantic Fleet. USACOM now has Combatant Command (COCOM) of over 80% of the active combatant force structure in CONUS.

We need to continue the evolution and ensure National Guard and Reserve forces are prepared to be an integral part of our worldwide contingency operations. Reserve force structure has become increasingly important to the employment, deployment and support of our active duty forces. As an essential part of the total force structure, their capabilities must be relevant for warfighting plans and contingency operations. Except for the Reserve forces needed to carry-out service secretary responsibilities, Reserve forces must continue to be assigned to the combatant commands as envisioned by Goldwater-Nichols. Moreover, to ensure Active and Reserve integration, Guard and Reserve forces require joint training and oversight of readiness standards paralleling active force measurements.

USACOM, like all geographic CINCs, retains Combatant Commander responsibilities within our assigned Area Of Responsibility (AOR). Concurrently, my NATO position as Supreme Allied Commander Atlantic (SACLANT), reinforces the synergistic link between the NATO Alliance and the increasingly important role played by joint, CONUS-based forces.

RESPONSIBILITIES

- Area of Responsibility
- Joint Force Provider
- Joint Force Training and Exercises
- Assist in Joint Doctrine Development
- Military Support for Counter Drug Operations
- CONUS, Caribbean and other AOR Disaster Relief and Civil Disturbance Support Operations
- Expand and Improve Partnership for Peace Training and Exercises

Additional and enhanced tasks include:

- Identifying , training, and facilitating deployment of joint forces in support of non-contingency operations such as peacetime engagement, peacekeeping, and humanitarian assistance operations;

- Providing Military Support to Civilian Authorities and Military Assistance for Civil Disturbances within the 48 contiguous states, the District of Columbia, and the geographic AOR;

- Providing military support for counterdrug operations within the continental U.S. , the Gulf of Mexico and the Caribbean.

AOR Threat Assessment

The primary threat in USACOM's AOR remains regional instability. As we have witnessed in Cuba and Haiti, economic stagnation and political unrest can quickly turn into a flood tide of illegal migration to the United States. These conditions or natural disasters can have similar effects in any of the 24 island nations, U.S. or European territories in the Caribbean.

While narcotics trafficking continues in the Caribbean, increased cooperation by DOD, law enforcement agencies, and some NATO navies operating in the Caribbean, coordinated at USACOM's Joint Interagency Task Force (JIATF-East) in Key West, Florida, has forced traffickers to increasingly rely on the more complicated, but less risky, land and air routes from Mexico into the southwest United States.

Intelligence indicates that as much as 70% of cocaine smuggled into the U.S. is coming across the U.S. Southwest border. Therefore, the U.S. Southwest border is a USACOM Area of Emphasis. USACOM's Joint Task Force Six (JTF-6), located at El Paso, Texas, continues to provide valuable support to the U.S. interagency effort to stem the flow of drugs across the Southwest Border. Our support of Drug Law Enforcement, specifically to Operation Valley in California's Imperial Valley by Joint Task Force -6, has provided unprecedented success in seizing illegal drugs and capturing traffickers.

A sizeable portion of the drugs that eventually enter the United States still use the sea and air bridges through the Caribbean and the Eastern Pacific. One recent at-sea seizure of 12 metric tons of cocaine from the fishing vessel *Natyle* was the largest maritime seizure in history. This was the

result of seamless cooperation between Drug Law Enforcement Agencies and our Joint Task Forces. Seamless operations of this type are typical of daily ACOM counterdrug operations in the Caribbean and Eastern Pacific and represents one of America's forward defenses in the struggle against drugs.

Additionally, to enhance U.S. counterdrug efforts in the Caribbean, we have increased our support to the newly established High Intensity Drug Trafficking Area in Puerto Rico and the Virgin Islands.

The Russian Navy

Finally, we remain watchful of the Russian Navy's Northern Fleet. In view of the uncertainties of Russia's future course, it is prudent to monitor their capabilities as we assess our own modernization requirements. This will ensure that we maintain our technological advantage—especially in the area of anti-submarine warfare.

With the exception of Russian naval capability, nearly all of the challenges to U.S. national security in the Atlantic AOR fall into the lower end of the conflict spectrum.

USACOM Advantage

Since our primary focus remains the training, integration, and deployment of U.S.-based forces for joint and combined operations both within and outside USACOM's AOR, we are in continuous communication with the other CINCs, principally, the other geographic CINCs, to understand their threat assessments and emerging joint force training requirements.

To give you an idea of the breadth and scope of USACOM's force

provider role, on any given day USACOM has approximately 40 to 70 ships, 350 to 400 aircraft, and over 37,000 personnel forward deployed to support over 18 separate operations around the globe under the command of the other geographic CINCs. Each CINC has unique force and training requirements, and USACOM works to ensure those requirements, along with the lessons-learned from returning units, are entered into our joint training and exercise program to benefit future deployments.

Working closely with USEUCOM and NATO's SACEUR, for example, we identified and deployed 6,000 Active and Reserve personnel to support IFOR. USACOM/ACLANT also trained 462 individuals for duty on joint or NATO staffs, including 80 civilians, at our temporary Joint Preparation and Onward Movement Center (JPOMC) at Fort Benning, Georgia. This combined team of NATO's ACLANT and USACOM trainers offered the Services and Defense Agencies one-stop confirmation of individual U.S. augmentee deployability, resolution of service specific personnel deployability issues, and in-transit visibility of augmentees to the supported CINC. For the first time ever, this combined team also provided tailored training for these CONUS-based augmentees destined to Joint/Multinational staffs on subjects ranging from NATO standard operational procedures, IFOR's command and intelligence structure and an up-dated Bosnia situational brief to basic personal safety issues. This processing and training minimized the in-theater augmentee orientation/training burden on the supported CINC.

In 1995, USACOM also provided similar support for USCENTCOM and USPACOM (specifically U.S. Forces Korea) when they required augmentation to respond to a higher alert status in their theaters.

Regional Update

The Caribbean

The 24 sovereign nations, and U.S. and European territories in the Caribbean region contain significant diversity in language, history, and social-cultural characteristics. While Cuba, the Dominican Republic and Puerto Rico share a common language and history with neighboring Spanish-speaking nations in Central and South America, most of the Caribbean

island nations have few linguistic, cultural or security ties with "Latin America." These nations trace their culture and history to Africa and non-Spanish speaking Europe, while their strongest hemispheric affiliations today are with Canada and the United States. If we are to prevent regional instability and build common security goals among this diverse group of nations, we must start by setting the tone within the region that we recognize each island nation's unique history, characteristics and sovereignty.

Recently we have brought two very complex and costly operations to a successful conclusion—our joint, combined and multi-agency operations in Haiti and migrant operations in Guantanamo Bay, Cuba.

1995 ACCOMPLISHMENTS

- Withdrawal of U.S. Forces from Haiti.
- Close-out of Migrant Operations in Guantanamo Bay, Cuba.
- Expanded Joint Force Training and Exercises.
- Assist in Advanced Concept Technology and Joint Doctrine Development.
- Rapid Response to Caribbean Disaster Relief.
- Improved Support for Interagency Counter-Drug Ops.

Haiti

Our recent operations in Haiti began, on 19 September 1994, with the introduction of U.S. forces in support of United Nations Security Council Resolution 940. Since then, we have assisted the Haitian government in providing a secure and stable environment to allow democracy to establish itself in this troubled nation.

This operation has been recognized as the best case study to date in the planning, execution, and conclusion of a multi-service, multi-agency and multi-national synchronous operation. Forces of the U.S. Army, Navy, Marine Corps, Air Force, Coast Guard, non-military elements of the U.S. government agencies, a multinational military and police force, and a host of international non-government and private volunteer organizations all contributed unique capabilities.

Under the command of a U.S. General, military and police forces from 26 nations—including Canada, the Netherlands, Guatemala, Bangladesh, Pakistan and for the first time in such an operation, a combined battalion of soldiers from the Caribbean island nations, contributed to the success of the operation. With the exception of approximately 200 support personnel, all U.S. forces participating in the United Nations phase of this operation will leave Haiti by April 15th.

We have already captured many important lessons in the areas of joint logistics, inter-agency coordination and operations, and intelligence support for operations other than war that will benefit future U.S. and coalition military operations.

Cuba

I am concerned over the recent increase in tension between the U.S. and Cuba. The 24 February shootdown of two unarmed civilian aircraft flying in international airspace was a clear violation of international law and a serious setback to our efforts at reducing tension with the Cuban government. USACOM--as the regional CINC responsible for the Caribbean--conducted, with the U.S. Coast Guard, the interagency effort supporting monitoring operations for the March 2nd Brothers to the Rescue memorial flotilla.

Internally, Cuba's continued economic and political stagnation could result in instability and the possible resurgence of illegal mass migration should the situation deteriorate. The Cuban migrant challenge in 1994 was the largest since the Mariel boat lift in 1980. In response, USACOM established Joint Task Force 160 at U.S. Navy Base Guantanamo Bay, Cuba, in May of 1994 to support relief and processing centers for migrants. By September, the camps reached their peak population of 47,809 migrants. Through hard work and innovative cooperation within the U.S. interagency and Caribbean Island Nations, we finally were able to deactivate JTF 160 in Guantanamo Bay, Cuba after processing 54,418 migrants from May 1994 until January 1996.

The total DoD cost of the operation is estimated at approximately \$480 million. Over 17,000 soldiers, sailors, airmen and Marines were assigned to the mission, along with numerous personnel from other U.S. government agencies, non-governmental organizations (NGOs) and private volunteer organizations (PVOs).

Disaster Relief and Humanitarian Assistance

Within the AOR, the threatened eruption of a volcano on the British island of Montserrat, located in the leeward Antilles, created chaos and caused a partial evacuation of the island. USACOM, in support of the British military and the U.S. Office of Foreign Disaster Assistance (OFDA), assisted in the partial evacuation of the island while also providing relief supplies for 3000(+) displaced personnel. U.S. Naval forces were standing by to execute a full evacuation of the island, if required. Disaster relief support for the Caribbean Islands devastated by Hurricane Luis (Antigua, Barbuda, St. Kitts, Nevis, St Martin) was the next significant support operation. USACOM forces deployed to the stricken area to support the Office of Foreign Disaster Assistance to assess and assist in the relief operations. Disaster relief support included transportation of Dutch relief supplies to St Martin, and assistance to distribute relief supplies on Antigua, Barbuda, St Kitts and Nevis.

Never before has the United States been so inundated with requests for assistance in response to numerous and varied natural and manmade disasters. USACOM has the assigned task to conduct necessary planning, coordination, and training to prepare DOD forces tasked to support federal, state and local governments. The USACOM trained forces assists these governments in their responsibilities to alleviate suffering and damage that may result from major disasters and emergencies. This is categorized under Military Support to Civil Authorities (MSCA) and Military Assistance to Civil Disturbances (MACDIS) for providing support to the 48 contiguous United States, and the U.S. Virgin Islands.

During FY 95, USACOM provided support for several major disasters, to include floods in Texas, California, and the Midwest; the Oklahoma City bombing; fires in the northwest and Long Island, as well as Hurricanes Erin, Felix and Marilyn in August and September. In quantifying the damage statistics for the hurricanes alone, there were 2500(+) buildings destroyed, 12000(+) buildings damaged, affecting over 4 million people, with overall damage costs estimated in the billions of dollars.

Although the majority of DOD's involvement in support of civil authorities for FY 95 was performed by state Army National Guard and Air National Guard, over 1900 active duty and reserve personnel from USACOM components responded to National level disasters and emergencies.

This year's successes in Haiti, GTMO, Military Support to Civil Authorities, Military Assistance to Civil Disturbances, and counterdrug operations were made possible by combining our unique charter as a joint force provider and trainer along with our geographic responsibility for the Atlantic AOR. The SECDEF ordered each mission...then one commander, CINCUSACOM, was responsible for executing total mission accomplishment with jointly provided forces already under our combatant command.

Support for the Olympics

Another major operation on the horizon for USACOM is military support to the 1996 Olympics in Atlanta. This will be a major undertaking of which the importance of it's success cannot be overstated. In support of the 1996 Olympics, we have established a joint task force to coordinate DOD support for the Games. USACOM, through the JTF, will assist the Atlanta Committee for the Olympic Games. We anticipate committing, at peak

times, approximately 7000 DOD personnel (approximately 2000 active personnel) to support the day-to-day operations of the Games and the Paralympic Games immediately following the Olympic Games. Additionally, plans are being prepared for all potential contingencies for man-made or natural disasters.

Command Strategic Vision and Goals

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Our requirements-based joint training program has three tiers. The Tier One foundation is service training, where soldiers, sailors, airmen, Marines and coast guardsmen attain their core service competencies by training on the service Mission Essential Tasks or

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- Improve the Competitive Advantage of America's Armed Forces.
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- Strengthen DoD Program Planning and Acquisition Process.
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METs. In Tier Two, units conduct field training focused on joint interoperability between units from two or more services at the tactical and operational level.

Finally, it is at the third level of training, Tier Three, where USACOM adds the most value to joint training, and our forces achieve true joint operational readiness. Tier-Three training combines simulation and computer-assisted decision making to more efficiently train JTF commanders and their staffs. The aggressive execution of this three-tier program is the key to improving America's joint readiness.

The JTASC and Joint Battle Center

USACOM's centerpiece for joint task force operations, planning, and staff readiness is the new Joint Training Analysis and Simulation Center (JTASC). On the road to becoming one of the world's premier centers of next-generation computer modeling and simulation, the JTASC is our primary vehicle for training Joint Task Force (JTF) commanders and their staffs. By using the JTASC's advanced modeling and simulations technology to train JTFs and associated staffs, we are able to reduce the costs of exercises by eliminating the expenditure of massive resources normally associated with large field training exercises. We no longer have to field an army to train a general. In addition to reducing costs, we can also reduce PERSTEMPO and family separation time on already heavily tasked and deployed troops.

Although JTASC reached initial operational capability (IOC) this year, during the JTASC development process, we conducted two major joint task force exercises with our service components' three-star headquarters serving

as JTF commanders. We base these exercises on real-world scenarios using actual threat and terrain data bases. I invite each of you to visit the JTASC to see this success story which represents the future of joint warfare.

To date, the III Corps at Fort Hood, Texas and the II Marine Expeditionary Force (MEF) at Camp Lejeune, North Carolina have participated as Joint Task Force commanders in these challenging exercises. USACOM's goal is to bring each of our three-star commanders and their staffs to the JTASC for training once every two and a half years. This will ensure that most staff officers will undergo JTF training at least once during a tour of duty at a USACOM component headquarters. Even if these component staffs do not actually deploy and fight as a JTF headquarters staff, thousands of officers will be trained in JTF operations.

Another initiative we are working on, in concert with the Joint Staff, is establishing a Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) Joint Battle Center (JBC), and co-locating it with the JTASC in Suffolk, Virginia. The JBC-JTASC initiative represents a significant enhancement for this nation's ability to maintain a competitive advantage in C4ISR, and offers many advantages to both organizations and ultimately the forces engaged in joint operations.

Co-location of the JBC with JTASC's 24-hour operation will provide ready access to USACOM's joint training team, exercise program, simulations and analytical facilities. As new C4ISR concepts and equipment evolve from the JBC, we collectively should be able to assess their relevancy in a joint warfighting environment. Similarly, as C4ISR issues are identified during our exercises, JBC can offer a means of quickly assessing possible solutions. Either way, our Service components and JTF commanders and the

C4ISR JBC should benefit. The ability to draw upon in-place JTASC technology and systems, in conjunction with the USACOM warfighter's experience, will enable the JBC to come on-line quickly and economically.

The USACOM-SACLANT Relationship

With CINCUSACOM dual-hatted as the Supreme Allied Commander Atlantic, USACOM is in a unique position to *influence multi-national operational readiness and improve the quality of Partnership for Peace training and exercises*. We will *pursue leveraging USACOM and NATO resources* and encourage other nations to participate in planning and exercising regional or coalition response.

Our efforts in this area have already paid dividends. Last August, we hosted the first Partnership for Peace (PfP) exercise on U.S. territory with 4,300 troops from 14 PfP nations, Canada, the U.K., and the U.S., along with observers from 11 other nations, for Cooperative Nugget '95 at Fort Polk, Louisiana. In September, we conducted exercise "Autumn Allies" which brought 200 Ukrainian troops to Camp Lejeune, North Carolina to work with their U.S. Marine counterparts. In October, we hosted a Russian company from the 27th Guards Motorized Rifle Division at Fort Riley, Kansas for Peacekeeper '95. It was the first time Russian and American ground troops have trained together on U.S. soil. Today, Russia, the Ukraine and many nations that participated in PfP and in the spirit of PfP exercises are working side-by-side with U.S. and other NATO allies as part of the IFOR in Bosnia.

Supporting the Interagency Process

Next, the command will *continue to cultivate interagency relationships and cooperative knowledge that can be capitalized upon in contingency planning and execution*. In an era of reduced budgets and non-traditional military missions like disaster relief and counterdrug operations, we must improve the interagency process to increase DoD efficiency and effectiveness in these new areas. We also strive to cultivate good working relationships with non-government organizations, private volunteers and private sector capabilities in all appropriate JTF plans and exercises.

Supporting Acquisition of New Technology

Finally, USACOM will *actively support the Department of Defense and the Services' program, planning and acquisition process*. This is accomplished by active participation in the Joint Requirements Oversight Council (JROC) process, by drafting Joint Mission Need Statements for Future Oriented Missions, and by developing Integrated Priority Lists.

Since USACOM has combatant command of most of the CONUS-based force structure, we are also in the position to lead in the process of bringing technology from the lab to the battlefield much faster. The Advanced Research Project Agency's (ARPA) Advanced Concept and Technology Demonstration (ACTD) process and its relationship with USACOM is a good example. This important effort allows for the accelerated development and fielding of promising defense technologies, and is an integral part of reforming and revolutionizing the acquisition process. One of our early success stories is the Predator ACTD. While Predator remains an ACTD, it's military utility was demonstrated in September 1995 while forward

deployed to USEUCOM. Predator's information played a critical role in dismissing Bosnian Serb propaganda, CSAR attempts, and battle damage assessment of initial airstrikes. Predators progress from initial concept to operational capability in just over two years, demonstrates the utility of the ACTD program. To date, USACOM is sponsoring 10 of the 21 existing or planned ACTDs ongoing worldwide.

Non-lethal Weapons

USACOM is also working to focus industry, technical centers, policy makers, military planners and law enforcement agencies on real world operational requirements and experience regarding non-lethal technology. USACOM has deployed simple non-lethal capabilities for riot and crowd control in our operations in both Haiti and Guantanamo Bay, Cuba. The changing realities brought about by the end of the Cold War have demonstrated that we need new tools for the increasing number of missions where deadly force can often be counterproductive and traditional riot and crowd control equipment and procedures needlessly endangers our troops. These other-than-war missions are becoming much more complex—as in the case of Bosnia—and require more sophisticated, non-lethal/less-lethal capabilities to protect our forces, prevent an unnecessary escalation in the level of violence, and enable mission success.

It is important that we invigorate existing non-lethal research, development, and acquisition activities by providing an operational requirements perspective to various initiatives. USACOM will continue to challenge industry, DoD, the R&D Laboratories and other agencies to work with us to address these issues. We will further expand our close working

relationship with the Office of the Under Secretary of Defense, Acquisition and Technology, in pursuing an ACTD in the area of non-lethal weapons.

Readiness

A visit to USACOM or its components would demonstrate that we have a high quality military force. Our components' forces are capable of executing the missions required of them. However, to fully examine the issue of present and future readiness, one must look at three separate factors: current readiness, force structure and recapitalization.

People remain the linchpin of readiness. Our soldiers, sailors, airman, and Marines are, and will continue to be, the deciding factor on the battlefield, or in contingency operations. If we are to maintain the high level of quality currently in the Armed Forces, we must be willing to compensate our military personnel for the unique and demanding service they perform for our Nation. In return for their sacrifice, our service members deserve adequate pay, affordable and accessible medical benefits, the preservation of the retirement system, and safe, adequate housing.

Within the strictures of the fiscal reality, we need to engage at the highest levels in a serious debate on the proper balance among the competing demands of force structure, readiness, and recapitalization. We need to more fully explore the various tradeoffs between these broad defense needs. For while no one can deny the need for a recapitalization process that will permit the services to procure required future systems, we need to broaden the discussion beyond force structure versus recapitalization. It is time to review the size and numbers of headquarters as well as the size of the defense

agencies. Our headquarters and agencies should not grow while force structure shrinks.

Conclusion

We believe the current force levels can sustain adequate combat capabilities and readiness provided we improve the efficiency and effectiveness of the total force structure. Enhanced joint force training is a critical part of this effort. USACOM will continue to measure and evaluate joint training exercises, readiness and experimental technology to ensure U.S. forces are getting the most for their training dollar.

Combat capabilities achieved through joint force integration will continue to be a major focus of our ongoing readiness efforts at USACOM. As we move into the 21st century and continue to face a changing and increasingly challenging national security environment, our ability to integrate all Services' capabilities (Active, Reserve and National Guard) will be a major determinant in our ability to field a credible force to win this nation's wars.



Supreme Allied Commander Atlantic Commander in Chief, U.S. Atlantic Command



The U.S. Atlantic Command in its current form is only three years old. Created by the 1993 revision of the Unified Command Plan, USACOM is an advocate and manifestation of the Congressional intent for a seamless, joint U.S. military force first proposed in the landmark Goldwater-Nichols Department of Defense Reorganization Act of 1986.

In the decade following the passage of the historic Goldwater-Nichols legislation, and especially over the past few years, we have made tremendous strides training this nation's military to fight as a coherent joint team. As the drafters of that historic legislation clearly understood, no single service is capable of doing alone what can be done jointly. We at USACOM view jointness as our product, and the integration of service capabilities is the process used to ensure this nation's military remains the most efficient and effective force in the world.

Today, USACOM integrates the military capabilities of nearly all forces based in the continental United States through its components: the Air Combat Command, Forces Command, Marine Forces Atlantic, and the Atlantic Fleet. USACOM now has Combatant Command (COCOM) of over 80% of the active combatant force structure in CONUS.

RESPONSIBILITIES

- Area of Responsibility
- Joint Force Provider
- Joint Force Training and Exercises
- Assist in Joint Doctrine Development
- Military Support for Counter Drug Operations
- CONUS, Caribbean and other AOR Disaster Relief and Civil Disturbance Support Operations
- Expand and Improve Partnership for Peace Training and Exercises

1995 ACCOMPLISHMENTS

- Withdrawal of U.S. Forces from Haiti.
- Close-out of Migrant Operations in Guantanamo Bay, Cuba.
- Expanded Joint Force Training and Exercises.
- Assist in Advanced Concept Technology and Joint Doctrine Development.
- Rapid Response to Caribbean Disaster Relief.
- Improved Support for Interagency Counter-Drug Ops.

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The CHAIRMAN. It is a good place for us to break for this vote and we will try to vote and come right back. If you can stand by, we would appreciate it. Thank you.

[Brief Recess.]

The CHAIRMAN. The meeting will please be in order.

We have to apologize for all this running back and forth, but the inmates are out of control over there on the floor and we are having votes every 5 minutes it looks like, and 10 minutes in between the debate. The decision is trying to be made whether to come back or not at all. But I am going to start again and see if we can get a few things on the record anyway.

Let me start off with Mr. Bateman.

Mr. BATEMAN. Thank you, Mr. Chairman. I apologize to our distinguished witnesses for my absence. It is part of the craziness that seems to have struck Capitol Hill today. I think it must be the full moon or something.

Not having heard your opening statements, I am just going to make a general comment and then any observations you want to share I would love to have you respond.

Yesterday we heard from JROC, this morning we heard from two of your fellow CINC's, and in each instance they pointed out areas of grave concern about the future capability of our military, in large measure concerns founded in modernization, recapitalization of our forces.

It has been made clear to us that the budget that has been submitted to us is not a budget that really reflected the concerns of JROC as to what our legitimate military requirements are. And while I and others have not quarreled with the allocation of resources within an inadequate budget, it seems rather clear to many of us, if not most, that this budget is totally driven by considerations other than our national security requirements.

We especially want to know from you, the war fighters, what implications you see in the funding line and profiles for this year's budget and the budgets for the next ensuing years as planned on your capabilities to discharge your significant role in executing our national military strategy.

Admiral PRUEHER. Mr. Bateman, thank you for your comments. Up until about 7 weeks ago I was a member of that obscure group known as the JROC, and I think from my current vantage point and from that one the issue we are trying to grapple with is balance.

Our current force structure from the CINC's view, we think, is about right. Our readiness is good. So what we have to do, if we take the modernization piece of other budget, which is not enough to fund future readiness, if we take modernization and say that equals future readiness and we think about the future, we need to figure a way to apply additional funds to that.

From my point of view, the figure that is bandied about and that Admiral Owens came up with of about \$60 billion in procurement in order to modernize the force, I think is again about the right number, plus or minus a standard deviation. The point is to try to affect that balance. If we had additional funds moving forward, we have the right things in the budget. Given that we cannot afford everything, if we could accelerate some of the things that have

been deferred in the budget I think that is what we would mostly like to see, sir.

General LUCK. Sir, I am sort of out on the end of the bench on this one. I am not quite sure how all the numbers come together and everything, but I will tell you one thing, if we are going to have a certain way of doing business in the world, and I think we should be a world leader, and if we have to stay involved here, there and every other where to be that world leader, and to assert our rightful position, in my view, then we are going to have to have the capability to do that, usually vested in the military. My suggestion would be that force structure wise we should not get a bit smaller than we are now and that there are some things that we need to attend to to keep us the best military in the world.

I have been here a long time and I have seen it both ways. I like this way better. That is my position on it, sir.

Admiral GEHMAN. Mr. Bateman, we recognize the agony of this allocation dilemma we are in. From USACOM's point of view, we feel strongly that the support of our readiness today, the support of our troops and support of our requirements to do our job today and tomorrow has to be our number one priority. Because we, USACOM, have to provide all these other CINC's forces on a daily basis.

We are concerned also about mortgaging the future by not funding modernization accounts, but we have to live within the—we have to balance the numbers that we are given.

The only point that I can add to the discussion that has not been already said here is when we look at this dilemma, we do offer that we don't like to see the argument couched into terms of wouldn't you be willing to trade force structure for modernization. It is a little more complex than that, we offer.

For example, there are a lot of infrastructure, there is a lot of headquarters that have never been drawn down. There is lots of support agencies that are very large. And so we do offer that the argument not be couched in terms of would you recommend trading 20,000 troops for helicopters. I don't think that is a fair way of arguing it.

Mr. BATEMAN. Mr. Chairman, if you would indulge me. Certainly, there is no premise in my observations that suggest we ought to have a further drawdown in the force structure. While I have heard others say that that might be a way to get to where they think we have to go, I am not one of those who think we can draw down anymore if we are going to maintain the operational tempo that we are presently maintaining, which is higher than it was during the peak of the cold war. That, to me, would be unthinkable.

And Mr. Chairman, if you would indulge me further, I want to ask General Luck in particular whether or not he foresees significant risk in the area of ballistic missile defense, given the sensitivity of the area of your responsibility?

General LUCK. Sir, as you know, the North Koreans have Scud B and C capability, and they have shown a posture that they would more than likely use that were a confrontation to result on the peninsula. We know, clearly, that those are not very accurate weap-

ons. We know clearly that you have to shoot a bunch of them to hit a point target with it, et cetera, et cetera.

Having said all that, that doesn't make me feel a lot better, and, therefore, I want to do everything I can to reduce that risk. Because the truth of it is that risk seems like a nice word, but what that really translates to is loss of lives, is what it means. That really bothers me when you are talking about it in those terms.

So, yes, I am very concerned about theater missile defense. Not only for the United States forces that I am charged to command, but 95 percent of my command is Korean and I am concerned about them, too, as well for the same reasons. So it is a high priority for me, yes, sir.

Mr. BATEMAN. Mr. Chairman, thank you for your indulgence. I have some more questions, but in deference to others, if I can't get them in a later round, I will submit them for the record. And they deal with whether or not you have sufficient stocks and protective gear and masks for nuclear biological and chemical weapons.

The CHAIRMAN. Thank you.

Mr. Peterson.

Mr. PETERSON. Thank you, Mr. Chairman. Pays off to come back after a long break. Takes them a long time to get down to this level, I can tell you.

If I can follow on, General Luck, in the last question, because it is clear that we have a bigger concern about where we put our money, both R&D and in deployment, on this missile defense issue. Very important, obviously. We have somewhat of a disconnection between perhaps my colleagues on the right and the left on whether or not we really pour into the theater missile defense, which is what, frankly, I would like to do, versus the national missile defense issue.

Are you all in this game at all to talk to that? Because you do have, it seems to me, it is an offset here. It is a little bit to what you didn't want to talk about that you couldn't say that, well, we are going to have a force here and then we have to give up that. But I think that there is some big bucks here we are talking about, and there are some out year potentials that we can buy out, I think, if we will do some present value now on this and then do this in a stream as to what we are going to get ultimately.

So I would like to hear perhaps all three of you address this, given, I think, that most of the committee would support very strongly a major enhancement in the investment of the theater missile defense issue.

General LUCK. Since for some reason I have gotten positioned at the center of this whirlwind, let me, first of all, tell you how I got there. I sent in a classified message, my disillusionment with the fact that it had lost its prioritization here in the resourcing business. What I stated clearly in that message, which was secret and was in the Washington Post the next day, that message I sent was stating a requirement. That requirement won't change unless there is some change in the threat.

So the requirement is there. How that gets resourced is the dilemma, and I have to tell you that resourcing happens back here and that resourcing is much harder to do than to determine the requirement. So I can't really speak to that, and I think the dilemma

of resourcing is being done very well given what they have to work with.

And I suspect that is where the argument begins and that is probably exactly where I need to get out of the argument for lack of competence.

Is that a fair answer, from my perspective?

Mr. PETERSON. It is fair, but, clearly, your command has the most immediate threat.

General LUCK. Absolutely.

Mr. PETERSON. In regard to the development of a theater missile defense.

General LUCK. Yes, sir.

Mr. PETERSON. And as you know, we have come in with a budget that is a severe low ball I think on the THAAD system, that is, the one that would be most appropriately deployed into your area of responsibility. And that is kind of where I am coming to.

I think maybe my colleagues would agree that we are not going to be able to handle leaving that number as it is because if we see the potential and the threat that you are sitting under—I would like to hear from the other CINC's on that.

Admiral PRUEHER. Mr. Peterson, I want to address that in the context of your first point, about some overlay with national missile defense and theater missile defense.

The urgent requirement not only in Korea but in other spots, the most urgent requirement I think we have is the lower tier system, and I will try to talk in terms of requirements rather than particular pieces of hardware. The second one is the upper tier system, which has a considerably broader envelope and considerably more capability, of which THAAD is one. And then there is a seaborne upper tier as well as the land based, and that is also a requirement and that would help out the issues in Korea as well as a lot of other places.

That ties into some capability to play in the national missile defense arena as well, but that theater missile defense is the more urgent requirement for us right now with the threats we face. And so just those points, it is an acceleration of the upper tier land, and sea based would be beneficial to us and then there is some overlay, as one talks about the national and the upper level—upper tier theater missile defense.

Admiral GEHMAN. Mr. Peterson, this is a matter of some serious concern and I don't need to talk about the threats around the world. War game after war game after simulation after simulation has shown us that no one system will defeat an enemy who is using ballistic missiles. It will be a synergy of lots of systems. You have to defeat the transporter retrolaunchers. You have to get these things in their coast and boost phase, you have to get them in their terminal phase, and you also have to defend the area.

For USACOM, theater missile defense improvements were No. 2 on our integrated priority list we sent into the Chairman; No. 2 in our modernization area. I think you are well aware that in the lower and the terminal point defense systems—I agree with Admiral Prueher, we should talk about requirements and capabilities here, not programs. What we are really doing is we are modifying existing systems.

Mr. PETERSON. Right.

Admiral GEHMAN. Which is probably the best we can do in the near term.

In the case of larger systems, area defense systems or maybe even maybe the national system, we are talking about technology that doesn't exist now. The one thing that we do know from war game after war game and simulation after simulation is that the system will have to be an open system. It will have to be a system which can take changes in technology that we don't even know about today.

So for that reason we think that in taking care of the point defense, terminal defense, lower systems is a first priority because not only is the larger threat still a couple years away, but we don't even know what to build yet for the bigger system.

Mr. PETERSON. I thank you for your responses, and I thank you for the time, Mr. Chairman.

The CHAIRMAN. I thank the gentleman. Mr. Bartlett.

Mr. BARTLETT. Thank you, Mr. Chairman, and I am sorry I couldn't have been here for your testimony. Let me follow the line of questioning of the last two members.

You mentioned, General Luck, that North Korea had Scud missiles. Have they nothing more sophisticated than that; and if they now have nothing, isn't it reasonable that if they had a will to they could procure something that goes pretty far beyond the capability of Scud?

General LUCK. Sir, they are working on it. We know that. Scud B and C is about the best credit we give them at this time. I don't know of any other informed sources that have come to me that say they have anything else. So that is the kind of missile we are dealing with, yet that is plenty for me to deal with because any longer-range missiles wouldn't be an add-on, it would just be more.

Mr. BARTLETT. I understand.

It is my understanding that China now has the capability of launching synchronous satellites. I think transferring that technology to the military arena would indicate that they certainly have the capability of placing a payload anywhere they wish at any time they wish on the surface of the globe.

Is that a reasonable assumption?

General LUCK. Yes, sir. But there we just skip from North Korea to China, and I agree with you on that. I don't give that credit to North Korea yet but certainly to China.

Mr. BARTLETT. Could they, with money, acquire that capability from China?

General LUCK. With money they could, sir, but I don't think it is money they have.

Mr. BARTLETT. There are now, as I understand it, 25 countries that are developing weapons of mass destruction and some of them certainly have the means, like Iran, to acquire the means of delivery of these weapons. With this realization, what kind of priority do you think this committee ought to place on theater missile defense and on national missile defense?

General LUCK. I will speak for my area. I think the highest priority should be placed on theater missile defense for the Republic of Korea and the forces that are there.

Admiral PRUEHER. I will address it, sir. I think in ranking those two priorities, theater missile defense is here and now a problem we have to grapple with real time, and the longer range, I think, should be something we are working on as well. But the highest priority should go to theater missile defense, sir.

Admiral GEHMAN. We certainly agree. Theater missile defense first, not only because the threat is closer and more real, but I think it is a few years before countries—we have some time on the larger ones. But also we know what we are doing.

Mr. BARTLETT. Well, that threat is here and now. The other threat is not presently here in the Third World kinds of nations.

There is an intelligence assessment that it would take them 10 to 15 years to develop that kind of capability. You know, if I want a new automobile, I am not going to set up a factory to build it. I am going out to buy one. And I don't understand why we should even consider that these Third World nations, that these rogue nations are going to rely on their ability to build intercontinental ballistic missiles that would cost them far, far more money and take a whole lot longer than it would simply to go and buy the technology or buy the actual missiles, and they certainly are presumably available on the world market.

With that kind of recognition, aren't we really measuring the possibility of this kind of threat in a relatively few years rather than a decade or so?

Admiral PRUEHER. The possibility certainly exists, sir. I can't fault your logic at all. In the pecking order of things, we have, from our vantage point, have a real-time threat with the theater world and the other one could be accelerated if there were transfers of technology amongst the nations.

Mr. BARTLETT. In focus groups across the country, very few Americans recognize that we have no defense against even a single intercontinental ballistic missile. Their first response is disbelief and then they are appalled that after spending \$265 or \$70 billion a year for a long while now that we have no defense against even a single intercontinental ballistic missile and then they are angry that we are not now doing something about it and that we have not done something about it.

I think that in terms of priority, if we were to enlist the judgment of the American people, that they are likely to put a fairly high priority on being able to protect against at least one or a few intercontinental ballistic missiles such as could be presumably launched from a rogue nation like Iran in the not too distant future. And of course if we are—there is no research that is going to bring us to that goal that is not going to hasten the attainment of theater missile defense. So these are not mutually exclusive goals or they are not different goals, it is just that you go a little further a little faster to get to the national missile defense.

Admiral GEHMAN. Yes, sir, and from a military perspective we view both those threats as genuine threats that we are concerned about. We, of course, are talking about a situation where we cannot have everything that we would wish to have and we have to prioritize things. So we prioritize the theater threat first because it is nearer and closer and also we kind of know more about what to do about it.

Mr. BARTLETT. If we could get additional monies in the budget, you would not be opposed, you would support them going into these areas, first theater missile defense and then national missile defense?

Admiral GEHMAN. The larger area, which I guess would lead to a national missile defense system, currently is funded for research and development. That is because, my understanding of the technology, we have some more learning to do before we know what to build.

Mr. BARTLETT. Hadn't we better get on with it, considering the potential?

Admiral GEHMAN. I believe we are getting on with it.

Mr. BARTLETT. Thank you all very much. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Mr. Dellums.

Mr. DELLUMS. I might just say to my colleague, unless I am missing something, we have been spending several billion dollars over the last several years. So in some way, either directly or inadvertently, to communicate nothing is being done in that regard, seems to me, flies in the face of reality, and I think the record should reflect that.

Mr. BARTLETT. We need to get the message out to the American people that we just aren't there yet; that it is a difficult problem. What they don't want to see is us letting down now and not continuing with the efforts.

Mr. DELLUMS. I appreciate the gentleman's comments.

Admiral Prueher, let me start with you. Is there any reason to believe that the PRC has changed its nuclear doctrine in any manner that would threaten the U.S. interests or regional neighbors?

Admiral PRUEHER. No, sir, we have no reason to think they have changed it.

Mr. DELLUMS. How would you characterize the PRC's modernization program? Is it overly aggressive, destabilizing to the region or not something—I want to place that in some context, please.

Admiral PRUEHER. Yes, sir. The PRC, we think, is certainly growing. Their economy has grown at the rate of about 9 percent for each year for the last decade.

To talk about a culture as old as China as an emerging nation is not correct, but they are certainly an economically—they can afford to do a lot more than they have been able to do in the last few years.

The PLA, their armed forces, is a very powerful influence in China, and they are modernizing. What they have demonstrated is the intent to get a military power to match their intent to be a power in the Asia-Pacific region and, in fact, to be a global nation.

Right now their status is such that their modernization is at a relatively low level so far. However, they have the largest army in the world. They have the second largest air force in the world in terms of numbers, not in terms of capability, but in terms of numbers of aircraft, they are a powerful nation.

Their modernization is, they are dealing with the Russians, they are dealing with other countries, they are trying to modernize their forces. They were very impressed by what the coalition forces did during the gulf war. I think that was a wake-up call for the Chi-

nese, and they are modernizing in the sense of technically and tactically. They have 113 divisions of troops.

As they modernize, they are at a level now that is low. They have the economic engine going to give them the wherewithal to make an investment, and they are making an investment in modern forces, and they are going to be a power in the region with whom we will have to reckon one way or another, and we would like to reckon with them as equals or a responsible, productive nation.

Mr. DELLUMS. How do you assess the current China threat to regional security and stability, as you have experienced? I know you have only been on site for a couple of months.

Admiral PRUEHER. Yes, sir, but we have a couple of data points in that amount of time.

Mr. DELLUMS. You might include in that, what do you perceive as the long-term trends as you look out.

Admiral PRUEHER. Yes, sir. I think what we have seen in the last 6 weeks has been a blip in a long-term trend. I think what we hope is that China will emerge and be, in a sense, a contributor to regional stability.

However, I think the United States forward presence in the area is welcomed by all comers over there as an offset to any particular nation gaining hegemony in that area, and there is an apprehensiveness about China as they emerge and what their intentions are and what they will do in the area.

One can say that they are taking reasonable steps to protect their borders, that that could be an expansion as well; we don't know yet. So what we see in the long haul is China wanting to have modern forces so that they can influence what goes on in the region and also become a global power.

Mr. DELLUMS. That is a good segue into my next question, which is, from your perspective, how does the China slash Taiwan relationship impact upon bilateral relationships between the United States and Japan, for example?

Admiral PRUEHER. The China-Taiwan relationship, of course, with our view, the United States view is, there is one China; Taiwan and China will find agreement under some means by peaceful means. That is our commitment to Taiwan, and we recognize it as such.

The response in this latest incident with the friction between China and Taiwan, I think, strengthened our relationship with Japan. I think Japan was reassured that the United States-Japanese alliance and the United States commitment to the area was strong when they saw our response to this. So in that way, I think the China-Taiwan issue in the short haul has strengthened the Japan-United States relationship.

There is the potential for Japan and China to be regional competitors. Hopefully, that will be an economic competition and will occur in a stable security environment. So the Japan-United States security relationship is very important to that second feature, sir.

Mr. DELLUMS. I would make one observation, and I will ask you to comment.

As I have looked back at China, with thousands of years of history, they seem to have been extremely patient about how to deal

with Taiwan and have said if it takes 20, 30, 50 years, so be it; but there are imperatives, and those imperatives are that you, the United States, continue to maintain the view of one China and that no American troops, military troops, are placed on the soil of Taiwan.

It would seem to me that the Chinese have been very patient in this regard, but there are a couple of imperatives there that they would look at and view with some alarm and great concern. I would like you to comment as to what you perceive to be the efficacy of that. If you don't think that is correct, that is fine, or would you wish to elaborate? But I throw that out.

Admiral PRUEHER. First, more from study than experience so far, the Chinese legendary habit of patience is certainly far more than we are attributed to in this Nation, and I think they are patient and will wait in terms of generations for things to occur. That is not to say they will not try to certainly nudge them in the right direction.

The issue of the United States recognizing one China and not committing troops to the soil of Taiwan—and there are some other conditions associated with that as well—I think is certainly the Chinese view.

Part of our reaction to this latest crisis was trying to recognize that view of one China, to make sure that our commitment to Taiwan and actually a commitment to a peaceful reunification process, rather than to either player, was well-known, to make sure that that was firm, at the same time trying to transmit that what we did with our forces and our rhetoric as well did not embolden Taiwan, or skew our efforts in a way that created this, what I think was a very measured response on our part.

I think we can do that. I think we need to do that. We are committed to one China. I think there are a lot of things that we have in common and there are a lot of things that China and Taiwan have in common rather than focusing so much on the differences. If we can skew the focus to the common interests, maybe we can better serve a peaceful reunification.

Mr. DELLUMS. General Luck, my first question is, what is the current status of the agreed nuclear framework with North Korea?

General LUCK. The current status is that the framework is viable. Aspects of it have been executed or are expected to be executed, and as we see it from our position over there, that is going along very well, all of those aspects that we expected from it.

Mr. DELLUMS. I am sure you and I would agree that the North Korean forces that are deployed against United States and South Korean forces at this point are impressive, but my question is, as you perceive it—and I know you raised the issue of economic concerns on more than one occasion and also today—as to whether or not the North Koreans can continue to maintain that level of deployment capability given their economic circumstance at this point? I would like you to comment to that.

General LUCK. Sir, I think it is common knowledge that their economy is in trouble. The exact amount of trouble and the exact spin-off from that is hard to know because it is a closed society, but we do know it is in a downturn, and I have heard 3-percent all the way up to 11-percent negative GNP.

That notwithstanding, the fall of the Soviet Union and the open-market capitalistic bent of the People's Republic of China have also worked against North Korea in terms of their ability to field a credible force.

What I am talking about here, twofold, is, No. 1, economically they are having more and more trouble keeping that first-class force supported; second, they don't have the marketplace to go get those hardware items or the parts that it takes to keep them running that they used to have. Their relationship has disappeared with the Soviet Union and has changed completely with the People's Republic of China, have also worked against them.

I can't tell you, oh, 2 years and that is it, but I can tell you that the inevitability of their capacity to wage successful war is going down.

Now, Mr. Dellums, I would be telling you a fib if I didn't say even any kind of war on that peninsula is going to be hard to bear up under and the trauma that spills from that will not be something any of us will want to happen. Therefore, we need to continue to stay strong and stay vigilant and maneuver this thing out as best we can from the aspect of the great Korean people and working what we can to make sure that things stay stable.

The CHAIRMAN. We are down to 5 minutes. We will come back and you can finish on that.

Mr. DELLUMS. Thank you, sir, and thank you for your response. If you wanted to elaborate further when we come back.

General LUCK. No, sir. I was just wondering if you had more.

[Recess.]

The CHAIRMAN. The meeting will please be in order.

Mr. Dellums had not completed his questioning, I don't think, but he is not here right now, so I might just go ahead and throw one out for you in the meantime.

I have been thinking about all this—well, here he is right now.

I was going to launch off on that other question, but you pick up on what you had been going.

Mr. DELLUMS. Thank you, Mr. Chairman.

You recall my last question. Let me come at it in a slightly different way to elicit a slightly different response from you—maybe elicit.

Is the threat from North Korea, from your perspective, more acute or less acute due to the economic realities that you addressed in your comments to my previous question?

General LUCK. I would say it is more acute from the standpoint that the regime's survival is the No. 1 priority of the leadership in North Korea. As we have watched other Communist nations stumble, crumble and fall, they have set a pattern for this that we have watched, and they do it in phases, and there are any number of indicators by phase that you can identify and observe as you go through this, and we are watching, based on that format, the business that is going on in North Korea. We see it as a very dangerous time because of the unpredictability that weaves its way in and through all of that.

The other side of it is that there is that inevitability that they will eventually implode or explode unless they are propped up by

some outside nation that I can't see doing so at this point in the very near future.

Now, I can't put a time frame to that, but I would tell you that at this period of time what we would consider to be sound, relevant logic may not pertain if regime survival appears to be very important, and the only real option they have anymore is their military, and they might choose to exercise it.

That is why I say I think it is a very difficult time, a very dangerous time, sir.

Mr. DELLUMS. In your capacity, you have had the opportunity to get up close to the South Korean Army, assess their capability, et cetera, so I have prepared three questions in that regard. What is your estimate of the military potential of the ROC army?

General LUCK. Sir, as you know, Combined Forces Command—in effect, I have around 700,000 Republic of Korea soldiers, sailors, airmen, and marines that work for me on a day-to-day basis. In fact, they are part of my command.

With the exception of technological and hardware items of the numbers I would like to see them have, from a force aspect, I think they will fight and fight very well, and I regard them very highly as professional soldiers, sailors, airmen, and marines. They do have some shortfalls in their equipment and in some of their technologies because of their past abilities to afford to do more.

Mr. DELLUMS. Thank you very much.

I would like to now turn to Admiral Gehman.

General LUCK. Sir, there was one point: When you were chairman of this committee, you questioned me one time, I think, about whether we were getting enough food and such. I would like—Ike, would you stand up, sir? I would like to tell you that the food is OK. Thank you, sir.

Mr. DELLUMS. Very poignant.

Admiral Gehman, let me ask you this question. The capacity of the Bottom-Up Review forces to execute the two MRC strategy has continued to be a dominant theme in this committee, a great deal of discussion around this issue.

From previous hearings, we have learned that our ability to provide properly trained and equipped forces to the theater CINC's in a timely manner is dependent upon planned enhancements and modernization. In fact, you folks made that point very strongly last year, as I recall the hearing.

Some argue that even with planned enhancements and the dual commitment of forces both to theater crisis response and to operations other than war would prevent you from being able to disengage the forces and redeployment to a crisis area in a responsive manner.

Will you describe how you visualize making forces available to support the MRC's in a manner where they might be involved in operations other than war?

The reason why I ask that question is because I think it is important to give you an opportunity to lay out, from your perspective, factually what would happen. There is a great deal of speculation here, and I would like to give you the opportunity to set the record straight from your perspective on this matter.

Admiral GEHMAN. Yes, sir, Mr. Dellums. You are exactly right. And I will kind of work this backwards. There are forces in Bosnia today which are earmarked for MRC's around the world. That is not a secret. Our forces in peacetime, when there is not an MRC going on, are busy all the time. So it is not a shock to us, or it does not disturb us, that forces which are going to go to these MRC's are employed around the world.

The question of the enhancements is critical to our ability to support two nearly simultaneously MRC's. There is no question that we can do one MRC without too much difficulty. It is the second MRC. The force enhancements are important.

The Chairman and the Secretary of Defense in public testimony have said that our force structure, the Bottom-Up Review, the bottom-up force structure, permits us to do two nearly simultaneously MRC's with some risk. The force enhancements reduce the risk. Failure to procure the enhancements increases the risk.

If we got all of the enhancements, the strategic airlift, the strategic sealift, all of the C4I, the command and control enhancements, everything that we had envisioned, it still would not guarantee success of two MRC's. What it does is, it reduces the risk.

Now, the thing that I have been encouraged about is, we have looked very, very, very carefully, in excruciating detail, of how my command, United States Atlantic Command, is responsible for getting 80 percent of America's combat power out of town and over to Korea or to Iraq, Kuwait, or the Persian Gulf, or wherever they are required.

There are a couple of things which have encouraged me. The first one is, in my experience, the analysis of the amount of risk involved has been the most frank and blunt that I have seen in my 32 years of military experience. Such initiatives as joint readiness reporting, which only started 18 months ago; the Chairman is apprised by us CINC's in a most clear way of the risk factors.

We have done, which I think is new, very, very serious war gaming and simulations of things we didn't used to war game. We used to always war game force on force. We used to always war game battles. We very seldom war gamed ports or railroads or airfields to see if we could get to the battle. We are now doing that in a very, very serious way.

So the answer to your question, a short answer to your question, with all that background, is, the force structure, the bottom-up force structure, can execute two nearly simultaneous MRC's with some risk. The risk can be slightly mitigated by force enhancements or it can be made more risky by failure for us to procure and achieve those force enhancements.

Mr. DELLUMS. Mr. Chairman, with your indulgence, I have one additional question, and this is a more generic question that perhaps all three of you might want to comment upon.

I don't think one has to have great mystical powers to realize that this committee will increase the top line on this year's military budget.

Can I construe from your responses to the questions that have been posed, that is, if you had additional dollars, what you would do? Can I construe from your comments that what you are saying is two things: If you are going to do it, give us what we need; and

if you are going to do it, bring some programs forward that were funded in the out years rather than give us some things we don't need or that are not on our list? Is that a fair comment?

I would appreciate it if all of you would comment on that.

Admiral GEHMAN. I would not be surprised if the different CINC's answer that question differently, because the CINC's, by their regional focus, look at things slightly differently.

For myself, since we don't envision us having military operations in our area of responsibility, which requires 8 army divisions and 15 Air Force fighter wings, for us, additional funds, if there were additional funds, our priorities would be the exact same priorities that we have signaled to the Secretary of Defense, readiness today. Today's readiness is our No. 1 priority.

If there are any deficiencies—right now we are maintaining readiness, and we are maintaining our readiness at a high level, but if unforeseen contingencies or some other expense were to eat into our readiness accounts, that would become our No. 1 priority.

Our second priority, USACOM, would be modernization, and it would be, indeed, moving programs that are in the program and simply moving them forward.

Mr. DELLUMS. Thank you.

General Luck.

General LUCK. Sir, these would be title 10 responsibilities, obviously, but our recommendations into that would be a myriad of suggestions.

Pulling things forward is one thing, but I would say you might want to get some starts on others that you had to drop off some time ago when you began to pick and choose against the target we had been given.

So I would say move some things forward, maybe go back and get some things that you had to cut out, and in the readiness.

But through all of that, the thing we have been paying the OPTEMPO bill, the training bill with that shoe box that should be looking after quality of life, and we have to get back and fill that shoe box back up and look after our infrastructure.

What I mean by that is those things in the community that are necessary for people who live in that community to live properly: Sewer lines, not very impressive but important; power; lights; all of those kind of things that you have to have in a city, you have to have in a community, a military community; and you have to have the right kind of housing and things that our soldiers, sailors, airmen, and marines deserve.

So I think it would be a broad look I would have. I would bring some things forward, I would get some things faster and make sure I had my readiness right, but then I would get after those things that we have deferred, deferred maintenance to keep our training and readiness where it is.

Mr. DELLUMS. Thank you, sir.

Admiral PRUEHER. I think, General Luck, speaking certainly from what I saw last week in Korea, the quality-of-life issues are certainly key there and there are a lot of initiatives going on.

Some of those—but more directly, to answer your question, I think if there were extra money, we do not want to have things imposed that we don't need, and there are things in the budget that

have been deferred. We had a significant discussion on TMD earlier, where the upper tier systems are deferred. Those things like that to bring forward would be our highest priority, sir.

Mr. DELLUMS. So that there are at least three areas where all three of you tend to agree: Near-term readiness; and if I understand you, Admiral, one of the concerns you have is the threat of unforeseen, unplanned, therefore unfunded contingencies that, when they happen, tend to be drawn out of O&M funds, which affects your near-term readiness.

So readiness, near-term readiness, is significant; quality of life is a major issue; and theater defense, because the threat is now and present and you want to respond to that. So those are the three major areas. Even though you know, you point out, that in the specific, each CINC would respond differently there, at least those three generic areas are on your priority list.

Admiral GEHMAN. Yes, sir.

Mr. DELLUMS. Thank you; and thank you, Mr. Chairman, for your generosity.

General LUCK. One follow-on point. You are the one, I think last year, that brought this up, and if these words were not yours, I think they were pretty close. You made the point that near-term readiness was all right because we had borrowed against midterm readiness, and that is what we have done, and that is what my suggestion is about. We owe it to you to make sure near-term readiness is right, and how we do that is by borrowing against other programs that have gone short for a while. That is my view.

So what this would do, I think, is work the midterm and long-term readiness, these extra dollars, and I think we—again, the services, under their title 10 hat—would put those in the right pews, I hope.

Mr. DELLUMS. I appreciate that.

One of the things that obviously becomes apparent for us in this committee is how we grapple with the issue of unplanned, unforeseen, therefore unfunded contingencies, and it has been my argument that it is not good government to have gone through all that budgeting process and then not have at least some capacity to respond to these unfunded contingencies without going into O&M, therefore affecting near-term readiness. So that is something we have to grapple with here as a policy issue and how we address that.

Thank you, Mr. Chairman; and thank you, members.

The CHAIRMAN. Let me try one on you while I am in the mood right now.

Some of us on this committee and in Congress are trying to stop what I call the hemorrhaging of our military from cutbacks which we feel have been already too great, and we are concerned because there is a real threat out in the world and we have to prepare for it. The concern is that the American people, indeed, the Congress itself, doesn't realize the nature of the threat, how serious it is, and our capability or incapability to deal with it in a sufficient way, I think.

In making our case to the American people and through the Congress for the need for these things, we have to point out what the threat is, the nature of the threat, the real threat, and it is de-

flected, our arguments are deflected, and watered down. Indeed, they are scorned in some quarters by people who deny these things: That is really no threat, not a great one anyway; we are not cutting too much; we are in good shape; and all these kind of things. Everything is put into a certain context, though, so we can make it look that way.

For instance, the problem of theater and national missile defense. Of course, some of us are in favor of putting together a national missile defense because there is a real threat of a rogue missile, an accidental launch, just one missile that we cannot defend against, and some people say, well, because we have the high priority of the theater missile defense, we should not do anything about that. I can't buy that.

When you give me your answers, which are usually in the context that somebody has asked you, you say, well, my priority is the theater missile defense. Agreed. But what is wrong with doing both of them, as we tried to do last year? We provided the funds. We provided architecture, as a matter of fact, for theater missile defenses. It was turned down.

As a matter of fact, the new policy coming out of the Pentagon rearranged the theater missile defenses, as you know, General Luck, cut back on the THAAD, stretched out over 2 years the funds we put in there for development of theater missile defense, further delaying it, and shot down the whole national missile defense, disregarding the fact that there is that real threat today not only from that one rogue missile, accidentally launched—oops, I pushed the wrong button—from China.

They say, well, we can't have a national missile defense because it violates the ABM treaty with the Soviet Union. We don't have an ABM treaty with China, and China has ICBM capability and has said recently, in a veiled threat sort of way, that they could use it against Los Angeles if we are messing around with Taiwan too much.

The rogue missile defense capabilities, rogue nations, the intelligence community, the NIE, the estimate says 10 or 15 years, in a certain context, and that is used as a way of deflecting the argument.

They ignore completely the argument and the fact that, as Mr. Bartlett brought out, you can acquire by buying the missiles themselves mobile ICBM's, I guess, and build your own. You have not got to do it as an indigenous capability with these rogue nations. Weapons of mass destruction can be put together in laboratories in low tech and inexpensive ways.

You don't have to be a superpower to wage the horrors of mass destruction warfare on people. You can put them on cruise missiles, shorter range ballistic missiles, and it brings everybody in the world really under the gun of mass destruction warfare without even resorting to ICBM's. You can fire cruise missiles from aircraft, from boats, ships, submarines, what-have-you. I see where China sold these missile boats to Iran recently.

So having said those things, I want to put it in a context and ask you if today—and we will get down to specifics in Korea—General Luck, today, not sometime in the future when we have a defense, today, if a cruise missile, a ballistic missile, or some kind of missile

was launched at us carrying BC, what would be the result of that type of an attack? And not just from Scuds that we think about back in the gulf war. They have now the upgrade, which is good, and they also have Nodong and other type missiles too.

What is our defense against those things? Do we have, for instance, protective clothings, antidotes, vaccines, medical supplies, monitoring devices, all these things sufficient to handle that kind of a thing and the thousands and thousands and thousands of casualties resulting?

And don't anybody tell me about retaliation preventing people from doing that in this day and time. They don't worry about retaliation.

Let me leave it there with you in that context, and explain to me how well prepared we are to defend against this threat. Does anybody want to take it on?

General LUCK. I will take it on, but I wouldn't call it taking it on. I find it hard to argue with your premise, and of course that is the day-in, day-out thing that we deal with, is the capacity of the enemy, or the threat, to do just that. And the capacity to defend against that, in my area of the world, is not very good, what we have available to us to use, but still scares the hell out of me. There is no question that if they use chemical or biological weapons, we will have our hands full in that part of the world.

I won't comment about the other parts of the world, although I don't know that there would be a lot of difference. But where I am situated, the passive protection against that, for the whole of the peninsula, is not good. For the United States Forces, Korea, it is very good.

The CHAIRMAN. As a matter of fact, even detection of these kind of things.

Let us take it on down to other areas. The Atlantic Command, or the Pacific. Even detecting these types of threats before they are made real with the range of cruise missiles being what they are and the shorter range ballistic missiles, how can we deal with that?

Admiral PRUEHER. Let me address that, sir.

First, I also join in not disagreeing with your premise. The detection is something that needs a lot of work, and in the weapons of mass destruction world, that needs quite a bit of effort.

We had the discussion, which was started off by Mr. Peterson and then Mr. Bartlett, and we got into this area of discussion. We sort of pitted the theater missile defense against a national missile defense in something of an either/or type discussion, which I believe there is a lot of overlap. In terms of VIN diagrams, there is considerable overlap in guidance systems, and it comes down to the missile propulsion technology and the warhead intercept type things that are for another forum.

But as we work on the lower tier defensive systems, which is stepping-stoned, then to an upper tier, which is then a stepping stone perhaps to a national defense system—the research on warheads, the research on leap technology, the research on impact technology and seekers—there is a lot of work that is certainly applicable to a national missile defense system. It is involved in the ABM treaty discussion, and this is something that needs sorting out.

But I think that our stated emphasis on theater missile defense has in mind that a great deal, probably 60 or 70 percent, is applicable then to trade on to a national missile defense system. I think we, maybe, came across as an either/or type of argument, which I don't think was anyone's notion, sir.

Admiral GEHMAN. I would certainly agree with your premise. One of the things you didn't mention, of course, which I know you would agree with, is that weapons of mass destruction is a cheap man's way to get big pretty fast. It doesn't take a lot of money to invest in some of these things.

We are very serious about it and we are very serious about defeating it. I think we have to think, when we are talking about how to deal with this, it is important that we have to deal with it as an entire system. That is we have to talk about the manufacture of weapons of mass destruction, the transfer of chemicals and technology across state borders, we have to talk about where the stuff is stored and whether or not we can detect where it is stored and then the means of delivery. So pretty soon you are into whether or not unmanned area vehicles help out against weapons of mass destruction; and they do. They do all of that.

And then of course, finally, is the capability of our Armed Forces to operate in a dirty environment. Here we are talking about personal protection gear, mop gears, detection stuff, antidotes, medicine, treatment, cleansing decontamination, and all those kinds of things. But we would not say that the entire answer is in the terminal end of this, that is, in the ability to detect any one of these things. All of these are very, very important. We take it very seriously. And it is likely to be—it is as likely as anything else to be the next threat we face.

The CHAIRMAN. Thank you. That was the point I was trying to make, gentlemen.

And I just appreciate people trying to help us to enlighten people as to the seriousness of the situation rather than trying to downplay it so everyone will say, don't worry about it. All the people out there in the uniforms are saying the same thing, no problem, we can handle it and all that kind of stuff. That is being said, in essence, by the answers that have to be given in a certain context.

You see what I am talking about? They use that, then, that certain context that you are given to answer in, to come back and deflect the whole thing. That is the problem we are dealing with.

I said the other day in a speech that we have had all kind of enemies in the world to fight in the past wars and all the rest, and we have been successful in doing it. But the enemy we have to fight today is ourselves. Complacency and the fact that people won't admit to the fact that since we don't have a shooting war going on right now, there are no threats out there. That is the enemy. Those kind of thinking people are our enemies today to deal with among ourselves.

Mr. Taylor. I am sorry, Mr. Pickett was first.

Mr. PICKETT. Thank you, Mr. Chairman.

Gentlemen, let me welcome you today. I guess it has been sort of a disjointed afternoon. If it hasn't been for you, it has been for me, and I hope my questions have not already been propounded to you.

Admiral Gehman, since you are a neighbor of mine, I had a couple of items I was going to ask you about the Atlantic Command, and it follows on top of some of the discussion about recapitalization that has been had here today and to recognize that that will continue to be a problem for the military.

I know that you and General Sheehan are doing an excellent job there in the work that you have the responsibility to undertake, but within constrained budgets that you have to operate, do you feel like we are moving in the right direction as far as the effort toward jointness is concerned?

Are we really going to save something by going in this direction or are we just adding another layer of management as far as the military is concerned?

Admiral GEHMAN. As I indicated in my opening remarks, Mr. Pickett, if we didn't think we were going to create some efficiencies and some increases in effectiveness here, we ought to stop what we are doing.

The answer to your question is yes; in two ways. We think that there are tremendous efficiencies in the joint training program. The joint training program, in case some members may not be aware, is a \$400 million a year project. That is big change and we have proposed to the Chairman, which he has now under review of some ideas of better ways to do that.

Also, I am pretty sure that Mr. Goldwater and Mr. Nichols, when they started this revolution, that they intended that some people put their minds to whether or not the future operations of the Department of Defense wouldn't benefit in increases in effectiveness by being more joint. We happen to think that very strongly, and we have become kind of the advocates, not the only advocates, but that has been given to us to focus on, so we think that there are tremendous increases in effectiveness at no increase of cost.

I could name a few. One of the ones we have been bandying around here this afternoon continuously is theater missile defense. Theater missile defense is a quintessential joint operation. There is no single gadget.

I mean, THAAD is not going to do it by itself. THAAD has to be cued by sensors and directed by interoperable data systems and command and control systems, or Navy AEGIS, or boost phase interceptors, or airborne lasers. None of those systems are going to work by themselves. They are going to work in a joint environment.

So USACOM thinks by making that joint environment interoperable, we are both saving money and making the combat effectiveness of the Armed Forces go up measurably. That is a long answer to say we think we are doing some good.

Mr. PICKETT. So you think some additional efficiencies can be gotten out of the system if we continue to move toward more highly integrated jointness programs?

Admiral GEHMAN. The Secretary of Defense and the Chairman think there are and they have challenged USACOM to come up with a couple of them, particularly the one I mentioned before, is efficiencies in the joint training regime, which not only is dollars, by the way, but one of the—according to a recent survey, the third biggest reason why servicemen are away from home so much is to go to joint training exercises. In other words, we have met the

enemy and we is them. So it is not only just money but it is also personnel tempo.

Mr. PICKETT. A month or so ago, maybe a couple of months ago, there was some discussion, or not discussion, there was some action taken to transfer a part of the area of responsibilities from the Atlantic Command to the Southern Command. I recall that General Sheehan at the time didn't think that was a particularly good idea.

Do you have any comments on that or is that something that is an accomplished fact episode and no need to talk about at this point. We are concerned about it because we are concerned about effectiveness.

Admiral GEHMAN. USACOM is on record as opposing this change, which is under review by the Secretary of Defense, so I am not speaking out of school here. Both the Secretary of Defense and the Chairman know that we oppose this impending change.

Frankly, I am not going to discuss the pros and cons of it because, frankly, we are at a loss to figure out why anybody is pushing this. It involves increasing our overhead structure at a time when the Department of Defense is getting smaller; it involves taking what is purportedly your chief advocate of the joint way of doing things and turning him into a maritime-only CINC.

It essentially repeats the errors that we made in the 1970's and 1980's, when we had two other four-star commands who were the chief advocates of jointness, the old Rapid Deployment Joint Task Force and the old Strike Command, both of which failed for the same reasons. They took the chief advocate of jointness and took all his horsepower away. So we are against it and we are on record against it.

Mr. PICKETT. Thank you.

Mr. Chairman, I have another question but I will wait for the next round on that.

The CHAIRMAN. That will be fine.

Mr. Longley.

Mr. LONGLEY. Thank you, Mr. Chairman.

I would like to ask a question, and I will tend to keep it somewhat broad, but of course there is a great concern about how we are committing our forces and there was a suggestion in this morning's testimony that depending on the scale of priority that a situation might evolve where a lesser regional contingency would be terminated in favor of redeploying forces for a more favored serious regional contingency.

Again, there are some concerns with not only the deployment schedules but the heightened operations tempo. And, frankly, in the Congress, there is not a very solid understanding of the impact of the deployment cycles on readiness, specifically the fact that when you deploy a unit it means you have another unit ready to take its place and a predecessor unit that needs to be retrained and reequipped before it can be capable of being deployed again.

What I am leading up to is that as the recent China-Taiwan confrontation seemed to illustrate, we deployed two carriers to send a message to the Chinese at the same time causing one carrier to leave the gulf to head for the western Pacific and another carrier to leave the Mediterranean, particularly the Adriatic, to go over the gulf.

Given the movement of carriers, it was interesting this morning to hear, I believe it was General Joulwan or General Peay comment that—I think it was General Peay—that two of the prior crises involving Iraq involved periods of time when your carriers had left the gulf.

Having given an extended preface, I would be interested in your comments relative to the reliability of our ability to move forces between theaters, and to what extent our capabilities are or could be significantly impaired by the presence of multiple contingencies at the same time. For instance, if when the carriers were deployed to off of China, we faced a risk obviously in the Middle East or in Iraq and we left troops in Bosnia without air cover, or at least without carrier cover. I would be concerned on the scale of risk to what extent we are, frankly, being spread quite thin. I guess I will leave that open-ended.

I will also add to this, as a veteran of 16 months of service in the Far East, and one who served with one of the two Marine units that surrendered on Corregidor, I have some feelings about being 10,000 miles away from the United States and the risks that presents to our forces.

Admiral PRUEHER. Let me take that on, sir, as the PACOM commander and also as one who spent the majority of my operational life on aircraft carriers. One of the things that is nice about carrier battle groups and naval forces is their mobility and relatively good staying power. In a joint environment we have things that can get there very quickly, without much staying power, and then we have things that can get there quite quickly, with medium-range staying power, such as ships, and if we resupply them they can stay a long time, and then things that take longer, such as ground troops or certain types of large ground troops and tanks and things like that, that if they were not in the area would take longer to get there, but then we have the logistics trains that follow that would enable them to stay.

The versatility of naval forces puts them in that sort of, what I call, the linebacker category. They can get there pretty quick and they can stay a fairly long time and bring a pretty good punching power with them. And that is what is connoted by moving an aircraft carrier or battle group somewhere.

If we had those in each of our major theaters in the Mediterranean and CENTCOM or in the Pacific, and we could have one in each of those theaters all the time, it would require more carriers than we now have or more than the Bottom-Up Review force, if we are able to do that, to do the refit and keep them there and the air wings.

So what we have with 11 plus 1 carrier battle groups enables us to have one in most places most of the time, and then we need to readjust, which is the example you just brought up with the China-Taiwan issue, and then there has to be a decision made, OK, where can we as a Nation afford to take some risk by not having one there.

So that is the balance we talked about before. It is a cost-effectiveness balance that we play with the carriers and it is a very valuable asset. It is an interesting thing that most CINC's would like

to have a carrier and have one there all the time. We are not budgeted that way.

And I think the Bottom-Up Review force, it is correct, as you mentioned from this morning, we would then have to make choices on the things that we could take on if we had a lesser regional contingency going on concurrent with two major regional contingencies. And we have to make those choices.

Mr. LONGLEY. Thank you.

Thank you very much.

The CHAIRMAN. Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman.

And I want to apologize to the Admirals and General Luck, we have had a series of pretty controversial votes and I apologize for my absence.

My question would first go to General Luck.

General, if you would, please, and then I will ask a couple of questions. The first would be, I realize that you have a number of immediate threats at your command, I have been told about 10,000 artillery tubes on the North Korean side, about somewhere between 90,000 and 100,000 special forces on their side, in your testimony you say half of their billion-man army is within striking distance of the DMZ, a short distance of the DMZ 689. So my question to you is in the threats that you face, where do their theater missiles fit into that as being the biggest threat, one of the biggest threats? If you had to put a pecking order into things you feel like need to be addressed, where would that fit in?

General LUCK. Clearly, put that in about the second category. To me, the No. 1 worrisome aspect of the outfit of the north are the artillery tubes and we have trouble understanding exactly how many there are, but whether you choose the number 11, 608 or 15, 142, either of those numbers scares the hell out of me, so I just sort of take one in between and say they have a lot of artillery and a lot more than we do.

So that one scares me because they also can fire chemical and biological stuff from those warheads.

Mr. TAYLOR. Do they have that ability right now.

General LUCK. Absolutely.

Mr. TAYLOR. OK.

Tell a dumb Congressman something; how much trouble would it be to take it the next step and make that a nuclear round, is this, is that something the Soviet arsenal, that given the right set of circumstance, they could get their hands on?

General LUCK. The technology certainly is there but I have to tell you we don't know enough about them to—I couldn't say. But I am pretty sure they probably have chemical weapons, artillery, and the Scuds.

Mr. TAYLOR. And biologic.

General LUCK. Not certain about that. But they have the capacity to have biological. We know that.

Mr. TAYLOR. Because there is a very sincere debate going on here.

General LUCK. Sure, there is.

Mr. TAYLOR. Regarding missile defense.

General LUCK. Yes, sir.

Mr. TAYLOR. One of the things I have to wrestle with is that since about 1983 the Nation has spent approximately \$40 billion trying to get to a missile defense and yet we are not there. I don't know how close we are but we are not there. That same \$40 billion, admiral, could have bought about nine carriers, down my way could have built 50 DDG-51's. I see marines back there. Somewhere between 40 to 60 amphibs, the big ones, and a lot of different things we could have done with helicopters.

The question is could that money—I know we are Monday-morning quarterbacking—could that money have been better spent? Was it a wise investment?

And the next question is should the budgeteers be able to find us some money like they did last year? I think last year at the last minute they upped the budget by about \$7 billion. Would you peg in your needs a need to improve missile defense, or would you have other needs ahead of that, and could you articulate them?

I know Mr. Dellums has asked this question, I was not here for the whole question, that is why I am asking it again.

General LUCK. I will answer that with respect to me and I will let somebody else throw in. My idea about this missile defense is a requirement, and sometimes we get requirements and resourcing mixed up. A requirement is there. Whether or not you can afford it against the whole menu of other things is a resourcing decision in the title 10 arena.

Mr. TAYLOR. I am asking for your priorities, given that at best we might get another \$7 billion. At best.

General LUCK. The requirement is there. I am not in the resourcing business. I am really not. I would be out of my lane to give you an answer.

Mr. TAYLOR. But if we are given an additional \$7 billion, would you put it at the highest part of your list, would you put it second, third, on your needs?

General LUCK. It would certainly be very high in Korea, sir. Very high.

Mr. TAYLOR. Is there anything higher?

General LUCK. Yes, sir, the counterfire issues. We are really concerned about that because of that number of artillery tubes I told you about.

Mr. TAYLOR. Admiral, you want to comment on that?

Admiral PRUEHER. Yes. On the missile defense issue, it is also very high on our list. Looking at our integrated priority list from the CINC's, of the things we put in our top pecking order, there are thousands of things that go into what are on our lists and we come up with three or four handfals that are on our integrated priority list that are high priority.

The point is we don't want 100 percent of No. 1 to the exclusion of No. 3, or to the exclusion of No. 789, for that matter. I don't know what 789 is, but so theater missile defense is right now a high thing on our priority list. It is one of those we talked about earlier that if there were extra money it is one of those things, theater or upper tier—theater missile defense is one of those things that has been deferred. It is out into the 2002 timeframe. It is one of those we would like to bring forward.

Mr. TAYLOR. Mr. Chairman, could I have one quick followup?

The CHAIRMAN. Yes, sir.

Mr. TAYLOR. We don't have a big crowd. I want to open this up to the panel. From your experience, it is my understanding that in the Soviet arsenal was a nuclear artillery round. Just for my information, how far could they shoot that?

General LUCK. Kilometers, probably 30 at the outside. Probably something less than that. The best artillery man around is sitting right up behind you.

How far could they shoot it?

Mr. TADEMY. Thirty kilometers.

General LUCK. Thank you. You are a good man.

Mr. TAYLOR. So of your 38,000 men that you have, how many of them are within 30?

General LUCK. We have about 750,000. I have both the Republic of Korea and the peninsula.

Mr. TAYLOR. Well put. Of your American command, how many are within 30 kilometers of the border, of the DMZ?

General LUCK. I would say, conservatively, 20,000. But more importantly, the city of Seoul, with 14 or 15 million people, a lot of whom are American citizens and are also within that range.

Mr. TAYLOR. OK.

Admiral GEHMAN. Mr. Chairman, can I go back to the question of theater missile defense and whether it is 1, 1-A, 1-B? The question was, where does it fit in, and I will give you an example.

An example where most of the CINC's have come in with a modernization requirement, which is higher than theater missile defense, is combat identification. The ability to prevent fratricide between our own forces. There is an initiative we need to work hard on, and most CINC's brought that in higher than theater missile defense.

Mr. TAYLOR. Thank you, Admiral.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Hunter.

Mr. HUNTER. Thank you, Mr. Chairman.

General Luck, you will pardon me for being out during a great deal of the testimony, but you were talking about when your cable on THAAD was discussed here and I am sure elsewhere in this city, so I came in just as you were saying when you were asked what was really important, and you said sewer lines. I thought at that point you had really been worked over to the point where there would never be missile defense again.

But let me ask you, so we get it straight, if you are fired on with a salvo of Scud-B's, could you stop them today? Could you shoot them down?

General LUCK. We could shoot them down where we have the capacity, and that is where we have our Patriot missile batteries and the PAC-3.

Mr. HUNTER. So you have some limited defended areas?

General LUCK. Yes, sir.

Mr. HUNTER. How about Scud-C's? They are supposed to be upgraded a little bit.

General LUCK. Yes, sir, we still feel like we have the technological capacity to do that at those points where we have the—

Mr. HUNTER. OK.

How about the so-called No Dong missile, the 1,000-kilometer missile?

General LUCK. Sir, I don't give them credit for having it, but if your question is if they had it, what could we do?

Mr. HUNTER. It is in development.

General LUCK. Yes, sir.

Mr. HUNTER. Have you looked at its velocities and—

General LUCK. No, sir, I have not, but I can do that and get you an answer on the record, or off the record, or whatever you want to call it.

Mr. HUNTER. I asked a question of General O'Neill last year, if anything that we had in this theater missile defense inventory could handle the Taepo Dong II, which is the 3,500- to 4,000-kilometer missile that is being developed, his answer was no. That was including the entire array, which I asked him, and which presumably includes Navy upper tier.

A number of members have asked you if there are not other dangers in the theater. Obviously, there is with a huge artillery fan. If you could stop those artillery shells in midflight, you would want to have that system developed, wouldn't you?

General LUCK. Absolutely, sir.

Mr. HUNTER. So if you could stop missiles in midflight, you would like to have that developed, too.

General LUCK. Absolutely.

Mr. HUNTER. Let me presume and just ask you a question. If you look at last year's budget, you will notice that we gave, we funded virtually everything that was requested by the administration and then we added money to missile defense. We also added ammo, we added trucks, we added some tanks, we added some sealift, airlift, and aircraft. So if you presume that you got everything that has been asked for in this year's budget, I understand that adding on to missile defense, getting it to you quickly or moving it to the left, as the Admiral says, meaning we get it faster, would be important to you? Is that an accurate statement?

General LUCK. It absolutely is, sir. But it is a little out of context for me to jump back and forth between resourcing and requirements. The requirement, as I mentioned, is there. The resourcing happens back here. And I have to tell you, honestly, I don't understand all there is to know about how they go about that, sir.

Mr. HUNTER. Well, join a big crowd, General.

But what I am telling you is to presume that this committee is going to give the resources; that we are not going to put you in a position to make you compete against what is on your budget before us.

Because if we do what we did last year, is we will fund all of that and then we will fund additional things. So if we don't put you in a position of having to say that you are going to sell the troops short on things that you have on your grocery list already for this committee, is it then an important thing if I could to move missile defense to the left, so into speak, that is to get it quicker; if we don't put you in the position of having to compete it off of other things?

General LUCK. Given those assumptions, I would wholeheartedly agree.

Mr. HUNTER. Admiral Gehman.

Admiral GEHMAN. Yes, sir. We had said earlier when you were not in the room that our No. 1 priority is the readiness of our forces today, which includes quality of life. And assuming that the unplanned contingencies and readiness were properly funded, going after something like theater missile defense would be very high on our list.

Mr. HUNTER. Admiral Prueher.

Admiral PRUEHER. Yes, it would be important to us to have theater. If you take the popular position of a war-fighting CINC, it is I want everything now. So the closer we come to that, the better we like it, but then realizing we cannot do that.

Mr. HUNTER. I want to ask you something about these missiles. I was reading about Billy Mitchell and how he was trying to force this Nation to come to the idea that we lived in an age of air power, and he did the unthinkable. He went out and sunk a bunch of ships, including a captured German ship with aircraft. In what was supposed to be a kind of a benign air power demonstration he actually sunk these babies and raised hell with the shipbuilders. For that we court-martialed him.

My impression is we live in an age of missiles. I have never seen this country more discombobulated or our military leadership more worried than when those Model T Scuds hit our troops in Desert Storm. That was the one thing we couldn't deal with.

Can I get just from your personal point of view, do you have a sense of urgency about that? Do you see the North Koreans building these missiles? They sell them to Iraq and to Libya.

You see China continuing to build missiles. You see these missiles, as Mr. Weldon often points out, the Soviets are selling missiles and missile technology on the world market for hard dollars, do you think we are meeting, generally meeting this emergence into the age of missiles with all of the urgency we should have?

And the reason I say that is right after Desert Storm, boy, we were really worried in the House of Representatives and the Senate we whipped up legislation immediately and passed it with all the big names, Sam Nunn and everybody else, to the effect we were going to have, by golly, a missile defense by 1996. And each month that passed after our troops got the hell kicked out of them by those Scuds, we tended to find other priorities and we went back to the sewer systems and the other things that took our time and took our resources. Now it is 1996, and we have not done any of the great things we promised to do immediately after Desert Storm.

So just from a personal perspective, because you are going to be graded ultimately by history on not only how well you ran your troops and your CINC's, but how well you talked to the American people and your political leadership about emerging threats, do you think we are meeting this new age of missiles with adequate urgency? A personal opinion.

Admiral PRUEHER. My personal opinion is we need to be doing more on that subject, sir.

General LUCK. My personal opinion, having flashed around under those things for 9 months over there, is that what is on that warhead is critical. If we give people credit to put chemical or nuclear on that warhead, the risk goes up even more than it does conventionally. So the longer we wait for that eventuality to happen, the tougher the consequences will be. But the conventional Scud C or B does not present that big an issue because of its inaccuracy. But with any other kind of warhead, it sure does.

Admiral GEHMAN. We agree this is a recognized priority, a recognized requirement of high priority.

Mr. HUNTER. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. That was why I was putting that in context a while ago about putting those B, C, some kind of other warhead on those Scuds. And you have a different kind of problem.

General LUCK. Yes, you do.

The CHAIRMAN. And, also, I noticed, too, you talking about, General, the context again, where you had these defenses that you have, such as they are, and the number that you have. And we could talk about that for a while, too, even though you have a sufficient number of defensive systems, whether they upgrade Patriot or not, and whether those upgraded Patriots can handle the threat even of the conventional warheads.

Mr. Pickett, you wanted a second round.

Mr. PICKETT. Thank you, Mr. Chairman.

A question I had has to do with the perception in the western Pacific about the resolve of the United States to stay engaged and stay committed to that part of the world.

It has been some time since I have visited there, but when I did, I don't recall any other countries feeling very confident that the U.S. commitment would remain, and every single one of them was convinced that, if it did remain, that the quality and quantity of it would be diminished.

I would like to hear from Admiral Prueher and General Luck, if you could throw light on where you think we are in this regard as far as the perception among the western Pacific countries as to how committed the United States is to maintain its presence there.

Admiral PRUEHER. One, it is critically important to the countries there. Their economic prosperity that has been heralded for a great number of the countries over there, including China, a lot of that has been enabled by the relative security stability that has been provided by this Nation in the western Pacific, in the Asian Pacific region.

They care a lot about our being there to be a flywheel, as it were, to offset any regional hegemony amongst the other potential powers there.

I have just been on the job about 6 weeks, but people express a lot of concern always about, they look at our level of commitment. What has become the watchword is the about 100,000 people that the United States has committed to the area. Since we have set that up as the criteria, they watch that like a hawk.

I would say that as a result of the China-Taiwan crisis and our response to it, not just with the first carrier battle group but with the second, the people in the area have been greatly reassured of

the U.S. commitment to the area, not only of peaceful process but our interest in the Asia-Pacific area.

I know that they feel better about it now than they did 6 weeks ago. We need to keep this reassurance going up. I think it is certainly in our national interest to be there, sir.

Mr. PICKETT. General Luck.

General LUCK. Sir, I couldn't agree more. Since Joe Prueher got out there, confidence has gone up.

Admiral PRUEHER. I didn't intend to imply cause and effect.

General LUCK. The alliance between the Republic of Korea and the United States is strong, and our commitment there is pretty evident by virtue of the 37,000 soldiers, sailors, airmen, and marines that are stationed there along with a substantial number of commercial people that are investing their time and energies in that country as well.

Mr. PICKETT. Thank you.

The CHAIRMAN. Thank you.

Mr. Dellums.

Mr. DELLUMS. If we have come to the end of the hearing, I would like to thank our distinguished witnesses for their testimony. I think this has been valuable testimony.

I hope that many of my colleagues who, for a variety of reasons, could not be here read the record, because I think their responses have been very straightforward on a number of questions.

Finally, I would like to say with some trepidation that I recognize that the issue of missile defense is a significant question. It has been put to these gentlemen and virtually all of the witnesses that have come before us.

I am a mature guy. I understand. I have been around the barn several times, so I understand that this is a significant issue, and I believe that we ought to debate it with as much intelligence and fervor and dedication to significant policy that we can.

I know that in some quarters this is an emotional issue. I know you, Mr. Chairman, feel fervently about this matter. I would just caution that a sensible beauty of our country is that we can handle and tolerate differences on critical issues; that we, from different perspectives, bring our intellect, our belief system, our views to bear; and that worst case is that we become political opponents.

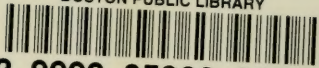
Words have great power, and I would caution the use of the word "enemy," because in the context of a free and open society there are no enemies. Just because they have a different political perspective, that they may be political opponents, that is OK. We can have worthy opposition, and let's slug it out, and at the end of the day come to consensus of what is in the best interest of our people. That is fine.

But I have fear and concern when the term "enemy" gets used because we tend to disagree with someone else. I think we ought to drop that from our nomenclature certainly as we go about the business of developing a national agenda for the American people.

I yield back.

The CHAIRMAN. Thank you very much.

Maybe I should have used another word, "adversary" or something like that. I don't want to let caution ever keep me from trying



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to defend American lives. I don't think we ought to have any caution at all in defending American lives.

Mr. DELLUMS. On that we have no problem. I am concerned about the use of the term "enemy." That can be grossly misconstrued. The beauty of our country is, we don't tend to label people.

The CHAIRMAN. I will grant you that.

Gentlemen, we appreciate your contribution today. You made a very real contribution to our dealings here. We have to hear from others before we wrap it up and go into markup. That will be coming shortly. In the meantime, good luck in what you are doing; and, General Luck, good luck to you too in setting that beer and bait.

General LUCK. Thank you. I will keep some beer cold for you.

The CHAIRMAN. We are adjourned.

[Whereupon, at 5:37 p.m., the committee was adjourned.]

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ISBN 0-16-054930-2



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